Daily Report

Latin America

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Cuba

Presidency of UN Security Council Assumed

FL0207012891 Havana Radio Rebelde Network in Spanish 2303 GMT 1 Jul 91

[Text] Today Cuba became this month's president of the UN Security Council; the presidency is held by the 15 members in rotation by alphabetical order. The United States had succeeded for a long time in preventing the Latin American and Caribbean Group from presenting Cuba as a candidate for alternate member of the Council, but Cuba finally was elected a member for 1990 to 1991. Cuba's presidency [as heard] of that organization will end on 31 December 1991, when it will be replaced by Venezuela, which has already been named the only candidate for the period from 1992 to 1993. The other Latin American member of the Security Council is Ecuador, which has completed its first year and will continue for another year.

Commentary Highlights Relations With USSR

PA0107194591 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Jun 91

[Commentary by Roberto Morejon]

[Text] The current Cuban-Soviet economic and political situation and its problems and future are matters that can only be debated by representatives from both countries based on the strong fraternal ties they have developed over the past 30 years.

This apparently irrefutable truism has been strongly questioned by the United States and Western media sources in recent times. Thus, many people have taken it upon themselves to determine the nature of ties that should exist between Moscow and Havana. They have ignored the fact that each government is entitled to study the prospects for cooperation programs and evaluate their difficulties.

Due to the fall of socialism in East Europe and the problems that have arisen in the Soviet Union with its internal reform process, the White House has envisioned the possibility of the Cuban economy quickly going bankrupt because of its strong ties to the USSR. Furthermore, the West multiplied its calls for Cuba to copy the Soviet Union's internal changes without taking into account that they are two different countries with different outlooks and characteristics. Thus, the possible solution to internal Soviet problems are not necessarily those being tested in Cuba.

According to the media, the United States has allegedly said to the Soviet Government that it will not authorize massive aid to the Soviet Union if it maintains the Moscow and Havana cooperation program and continues to have ties to Cuba. The Soviet authorities have replied that these matters are not debatable, even for a massive financial disbursement. The Soviet position will undoubtedly cause serious discomfort for U.S. Government sectors and the staunchest Cuban-origin groups living in the United States.

Cuban and Soviet authorities are aware that they must urgently study the problems in their commercial relations, as they have been negative for Cuba. However, these matters are currently being studied with strict respect for the internal processes of Cuba and the Soviet Union.

Rodriguez Arrives in PRC, Meets Leaders

FL0107183791 Havana Tele Rebelde Network in Spanish 1700 GMT 1 Jul 91

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers and member of the Politburo of the Communist Party of Cuba, arrived today in Beijing to conduct a week-long visit at the invitation of the PRC Government. Rodriguez and his delegation were greeted at the airport by Yang Fuchang, vice minister in the PRC Foreign Ministry.

During his stay, Carlos Rafael Rodriguez will meet with PRC President Yang Shangkun and Jian Zemin, secretary general of the Chinese Communist Party Central Committee.

Vice Minister Travels to Iran, Seeks Ties

FL0107131491 Havana Tele Rebelde Network in Spanish 1100 GMT 1 Jul 91

[Text] Giraldo Mazola, vice minister in the Ministry of Foreign Relations, is in Tehran conducting a four-day official visit to meet with Iranian officials to discuss ways to bolster cooperation ties between the two countries. Iranian Deputy Minister Mahmud Vaezi-Jazai said that Mazola will hold political and economic meetings with Iranian officials and will discuss cooperation between Tehran and Havana for the next ministerial session of the countries of the Nonaligned Movement.

Soviet Reportage on Aldana's Moscow Visit

WA0107153391

For Soviet reportage on the visit by Carlos Aldana to the USSR, including reports on his meeting with USSR President Mikhail Gorbachev, see the International Affairs section of the 1 July Soviet Union DAILY REPORT and subsequent issues.

Inter-Caribbean Affairs

Perez Restates One-Way Free-Trade Pact

FL0107164691 Bridgetown CANA in English 1616 GMT 1 Jul 91

[Text] Basseterre, St. Kitts, July 1, CANA—Venezuelan president, Carlos Andres Perez on Tuesday [day as received] restated Caracas' offer of a one-way free-trade

agreement to the Caribbean Community (Caricom) [Caribbean Common Market] and hoped for an early signing of the pact. Perez said diplomats usually speak of the signing of final agrements in six months, but added: "I hope it will be before. I think it is very clear and we are willing to whenever the Caricom countries are ready."

Caricom and Venezuelan trade officials have been working on the agreement in which all goods from the community would enter the Venezuelan market duty free for the first five years after which the arrangement would be reviewed. The Venezuelan proposal is an expansion of agreements that Caracas had been developing bilaterally with Trinidad and Tobago, Guyana, and Jamaica. However, Perez told CANA that while there had been bilateral talks, he had always envisioned the proposal as a multilateral arrangement.

While Venezuela sells oil to the Caribbean, mostly under the San Jose Accord, its imports from the region are negligible—a position of which Perez said he was "ashamed." "It is our obligation to assist you in opening up your trade in these islands," the Venezuelan president said, in outlining his rationale for the offer.

"We sell oil to the countries of the region and the trade balance is unfair. The Caribbeans buy from us and we don't buy anything from (them)."

At present Venezuela's biggest purchases in Caricom is from Trinidad and Tobago, which last year sold an estimated U.S. 15 million dollars mostly in methano urea, and steel. Guyana is also seen as a potentia. beneficiary of the arrangement with the capacity to sell timber. But most of the rest of the community would at present have little to offer, although Perez spoke of the opportunities for joint ventures in developing export products.

Perez, who is combining an attendance of the Caricom summit with an official visit to St. Kitts and Nevis, announced that a Venezuelan private sector mission would visit St. Kitts at the end of July to be followed by a visit to Venezuela by Kittsian businessmen.

Perez, who was meeting with Caricom leaders as a group, had a bilateral meeting Monday with the St. Kitts and Nevis prime minister, Dr. Kennedy Simmonds and afterwards signed cooperation agreements for energy and tourism. The agreements, Perez explained, were broad rather than specific. In terms on the one on energy, he said there was the possibility for oil exploration in St. Kitts.

"We have commited ourselves to improving sea and air transportation," he said.

Caricom Agrees To Use Local Currencies

FL0207001691 Bridgetown CANA in English 1948 GMT 1 Jul 91

[Text] Basseterre, St. Kitts, July 1, CANA—Caribbean Community finance ministers meeting here on Monday accepted in principle a Jamaican model scheme for settling trade payments among the 12 common market members largely in Caricom [Caribbean Common Market] currencies. It was one of the key decisions coming out of the two-and-a-half hour session by the ministers, ahead of the formal opening Monday evening of the 12th summit of Caricom leaders.

The new formula was necessitated by difficulties in the old Central Bank-administered arrangement, after Jamaica's liberalised financial system triggered the country's insistence on settlement in scarce U.S. dollars for Caricom trade. Officials here explained that under the new arrangement, payments made between Jamaica and the rest of Caricom would be transacted as far as possible in regional currencies through the commercial banking system.

Trinidad and Tobago's Finance Minister Selby Wilson said. "The other Caricom countries trading with Jamaica can now expect to have part of their indebtedness settled (in regional currencies)."

"There is a component that where there is a deficit, the Jamaica Central Bank would have the responsibility to make up that deficit through the hard currency window," the Trinidadian minister explained.

While the new system "does not meet the requirement totally," said Wilson, it "does indeed minimise the problem" by providing for settlement "in a more timely manner." He said the ministers had taken a unanimous decision to pursue a long-mooted Caribbean investment fund, which should have initial capital of U S. 50 million dollars. The aim is to provide an incentive for new direct foreign investment in Caricom by helping to finance equity participation in private-sector ventures. The ministers set no time frame for the fund's establishment, but mandated the Caricom secretariat to advance the process.

The much-talked about idea of a common Caricom currency was thought to be impractical at this time but was not shelved, according to Wilson. There are currently seven different national currencies in the Caribbean Community, where the exchange rate for the U.S. dollar ranges from 125 dollars in Guyana to parity (1:1) in the Bahamas.

"We recognise that the common currency is still a desirable objective, but there are constraints in pursuing it. The main constraint...identified...is the question of the fiscal performance of all the economies...the free convertibility of the currencies at a stable rate of exchange...," he added. The common currency issue is to be kept under continuous review.

Decisions taken by the ministers, many of them prime ministers, will go before the 1-4 July summit.

Dominican Republic

Pena Gomez Says Balaguer 'Despotic'

FL0107132191 Santo Domingo Cadena de Noticias in Spanish 1100 GMT 1 Jul 91

[Text] Dr. Jose Francisco Pena Gomez, the president and leader of the Dominican Revolutionary Party [PRD], has continued his attacks against President Joaquin Balaguer, who he accused of being despotic. Pena Gomez says that there is no longer any Dominican political leader who believes in the president's word. The PRD leader assured that the Dominican people have stopped believing the promises of Dr. Joaquin Balaguer because he never fulfills his promises. Pena Gomez said that Balaguer conducts himself like a despot without any regard for the interest of the majority of Dominicans.

More Haitians Seized, Total Climbs to 438

FL0107151991 Santo Domingo Cadena de Noticias in Spanish 1200 GMT 1 Jul 91

[Report from the Southern Center for Agricultural Development, CSDA, in San Cristobal by correspondent Carlos Corporan]

[Text] One hundred and fifty Haitian immigrants were taken into custody over the weekend and are now here at the CSDA, the collection point for illegal Haitians detained by immigration inspectors and members of the Dominican Armed Forces.

Romulo de Los Santos returned early this morning from Port-au-Prince, Haiti, after formally turning over 438 Haitians to the Haitian Government. He added that tomorrow an additional 150 Haitian street vendors arrested this weekend on the capital's streets will be deported.

Alfredo Lope, a Haitian youth, told us, as he was washing his pants, that he has not been allowed to go to the government enterprise where he worked in order to collect his pay.

[Begin Lope recording] [Speaks in combination of French and Spanish] I arrived in 1981 to begin working here. For five years I cut sugarcane. Afterwards, I could not find anything. I was hungry. I started working in construction. Still all I could afford was a single meal daily. What happened? I worked hard and was still hungry. Fired, now I find myself on the streets. What is happening in the world? It is all garbage. If now they send me to Haiti, I have no room, nothing. It will be an even worse time. [end recording]

Repeating, another 150 Haitians arrested this weekend in San Cristobal will be deported tomorrow according to Romulo de Los Santos, chief inspector of Immigration.

Balaguer Announces New Economic Measures

FL0107131891 Santo Domingo Cadena de Noticias in Spanish 1100 GMT 1 Jul 91

[Text] President Joaquin Balaguer has announced a series of economic measures after arriving at an agreement with the IMF. The measures include, among other things, new methods for the regulation of the exchange rate system as well as for the calculation of value-added tax [VAT]. The president said that as a result of the agreement reached with the IMF, the exchange rate will be determined by market forces, as economists recommend. He recalled that the present exchange rate is 12.67 to buy and 13 pesos to sell in the Central Bank.

Balaguer made the announcement in a speech transmitted over a radio and television channel. He said that the VAT is currently 10.50 pesos per dollar and said that the VAT rate will also be figured on the basis of market forces.

Haiti

Suspected Election Saboteurs Arrested

FL0107214291 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 1 Jul 91

[Report from Petit Goave by correspondent Dejean Louis]

[Excerpts] On the morning of 29 June, two officers from Port-au-Prince, accompanied by military men in civilian clothes, arrested Roland Alcindor and Wilfrid Alexis and incarcerated them in the Faustin Soulouque Barracks prison in Petit Goave. They are being held pending a court appearance to answer for violence and robbery that led up to the cancellation of the 29 November 1987 elections in Petit Goave; of ransacking a church; plundering warehouses; and persecuting staunch partisans.

Two days before the arrests, while a progovernment demonstration was unfolding, these two men were part of a group shouting: Down With Aristide. For the next two days, they were seen around the city, carrying machetes in their hands. On the day of their arrests, 29 June, an even larger demonstration took place, during which protesters demanded that the government expel all macoutes from Petit Goave. Placards were flourished calling for the trials of Wilfrid Alexis, Roland Alcindor, Louicene Sene, Constant L. Adrien, Deus Jean-Francois, who is current deputy for Mobilization for National Development for Petit Goave, and Montigene Sincere, Radio Lumiere Network's Petit Goave correspondent. [passage omitted]

While the demonstration was passing by the home of Montigene Sincere, a group of people with drums began marching out of the house, chanting Down with Aristide. It was only through the intervention of a group of military from the Faustin Soulouque Barracks in Petit

Goave that the demonstrators calmed down. The event therefore ended without incident.

Trinidad and Tobago

Robinson 'Confident' of Election Chances

FL0107155791 Bridgetown CANA in English 1512 GMT 1 Jul 91

[Text] Port of Spain, Trinidad, July 1, CANA—Trinidad and Tobago's Prime Minister A.N.R. Robinson is confident about retaining his leadership of the country despite an opinion poll here which found that minority opposition leader Patrick Manning was most favoured to take over the job.

"I'm very confident," Robinson said when reporters asked Sunday whether he thought he'd be representing the country at the 13th Caribbean Community heads of government conference next year July, four months after elections are constitutionally due. The leader of the ruling National Alliance for Reconstruction [NAR] also said that the poll indicated that the party "was very much in the picture," of the politics.

The St. Augustine Research Associated (SARA) poll, commissioned by the EXPRESS newspaper found that Manning, the leader of People's National Movement (PNM) was favoured by 23 per cent of the sample to be the country's next prime minister. Robinson, leader of the four and a half year old government was endorsed by 21 per cent of the sample.

The PNM, which formed the government for 30 continuous years until its first defeat by the NAR in 1986, was favoured by 35 per cent of the sample as their choice of party to form the next government. The NAR was favoured by 33 per cent of the persons interviewed.

"I haven't studied the poll.... I looked at it casually.... But what is clear is that the NAR is very much in the picture," Robinson said.

"In so far as the leadership of the NAR is concerned, it is quite clear who is the preferred person for leadership of the NAR. It is also quite clear who is the preferred leadership of the PNM," the prime minister said.

However, Robinson said that there was "leadership material" in the ruling party as compared to the PNM. Ten per cent of the persons interviewed said they wanted Planning and Mobilisation Minister Winston Dookeran to head the next government, while deputy political leader, Karl Hudson-Phillip was endorsed by 3 per cent.

"The NAR preference vote was distributed among three persons which shows leadership material in the NAR, while the PNM preference votes only went to one," Robinson noted.

The NAR has 26 members of Parliament, the PNM 4, and the United National Congress, six.

Majority Against Voting for Muslim Party

FL0107183591 Bridgetown CANA in English 1734 GMT 1 Jul 91

[Text] Port of Spain, Trinidad, July 1, CANA—A majority of persons interviewed in an opinion poll, said that they would not vote for a political party formed by members of the Jamaat al Muslimeen, which attempted to overthrow the Trinidad and Tobago Government last year. According to the poll conducted by the St. Augustine Research Associates (SARA) for the EXPRESS newspapers, 88 per cent of the sample said they would not vote for the Muslims, while 5 per cent would.

One hundred and thirteen members of the Jamaat and their leader Yasin abu Bakr who attempted to overthrow the government of Prime Minister A.N.R. Robinson last July are now behind bars facing criminal charges including treason and murder.

Robinson and other members of Parliament were held hostage in the Assembly and more than 20 people were killed during the the six-day siege. According to SARA, the poll was taken since there has been speculations that the Muslim organisation might be considering fielding a political party to contest general elections due no later than March next year.

It was also rumoured that the Muslims were planning to seek an alliance with one of the existing political parties. Sixty-three per cent of the sampled said it would be upset if there was any attempt to form an alliance between the Muslims and any of the existing mainline parties. Twenty-seven percent said such a development would not bother them.

Belize

Diplomacy Established With DPRK, Soviet Union

FL2906021091 Bridgetown CANA in English 1854 GMT 28 Jun 91

[Text] Belize City, Belize, June 28. CANA—Belize this week established diplomatic relations with North Korea and the Soviet Union. An exchange of letters establishing diplomatic relations at the ambassadorial level between Belize and the Soviet Union took place at the United Nations in Washington Tuesday. A joint communique said that the ambassadors would be at non-resident level.

Belize's ambassador to the United Nations, C.L.B. Rogers, acknowledged the Soviet Union's support in his country's struggle for independence. Also on Tuesday diplomatic relations were established with North Korea. Belize already has diplomatic relations with South Korea.

Honduras

Former Resistance Commander 'Renato' Gunned Down

PA2906021591 Mexico City NOTIMEX in Spanish 1859 GMT 28 Jun 91

[Text] Tegucigalpa, 28 Jun (NOTIMEX)—Sources with ties to former contras today reported that former Commander "Renato" of the dismantled Nicaraguan Resistance [RN] was murdered yesterday by two unidentified individuals who shot him in the back.

Francisco Ruiz's (Renato) unidentified body remained in the morgue until relatives confirmed his identity. According to several witnesses quoted by various media, two youths approached the former contra and without uttering a word fired at him with a pistol of unknown caliber.

During the last decade, about 20,000 armed RN members took up positions in Honduran territory from where they directed their attacks against the regime of the Sandinist National Liberation Front.

According to the coroner's report, Ruiz received the fatal shot fired from a pistol of an unknown caliber. This shot entered Ruiz's body at the seventh lumbar vertebrae level and did not exit. Police issued an official report giving only his name and no details.

A former officer was also killed this week. He was linked to intelligence work and human rights violations. The Moranzanist Patriotic Front's "Roger Gonzalez" command claimed responsibility for the murder. This same command also claimed responsibility for the 23 June bazooka attack on the headquarters of the United Nations Observer Group in Central America.

In view of the recent upsurge in violence, Armed Forces spokesmen have announced that military patrols will reinforce security throughout Tegucigalpa.

Commanders Arrested, Questioned

PA0207030491 Mexico City NOTIMEX in Spanish 0141 GMT 2 Jul 91

[Text] Tegucigalpa, 1 Jul (NOTIMEX)—"Dimas Negro" and "Franklin," former commanders of the demobilized Nicaraguan Resistance [RN], have been arrested and are being questioned by Honduran authorities, the local station "Radio America" reported here today.

The radio station noted that both former contra leaders are being questioned in connection with the killing of former contra commander "Renato" in this capital last week.

"Renato," or Francisco Ruiz, died from a gunshot wound to the back inflicted by two youths, according to eyewitness reports.

Ruiz was a U.S. Government liaison official in Honduras and held the post of treasurer of the former contras, according to RN sources.

During the past decade, approximately 12,000 contras were based in Honduran territory with the purpose of defeating the Sandinist regime in Nicaragua headed by Daniel Ortega.

"Franklin," or Israel Galeano, and "Dimas Negro," or "Dimas Sagitario" or Marco Orlando Carrasco Navarro, reportedly were arrested this weekend by unidentified security agents.

During the last months of RN activity, "Franklin" was commanding general of the counterrevolutionary movement, following the removal of Enrique Bermudez, "Commander 3:80," from that post.

Bermudez was recently assassinated in Managua, Nicaragua.

Contacts established in Tegucigalpa with people close to "Franklin" in Managua indicate that he should have attended an "important meeting" today, but he failed to do so.

Except for the contact with Managua, the reported arrest has not been officially confirmed.

Nicaragua

Anti-Sandinist Campaign 'Could' Cause Rebellion

PA3006042191 Managua Radio Sandino in Spanish 1200 GMT 29 Jun 91

[Text] On 28 June former President Daniel Ortega denounced a campaign of intimidation against the Sandinists, which he says could lead to an armed rebellion to avoid their physical and political elimination. Ortega made the statements during a seminar promoted by the University for Peace, sponsored by the United Nations. He demanded a truce from National Assembly President

Alfredo Cesar and the UNO [National Opposition Union] deputies, which would allow the population to breath peace.

Let us forget about revengeful positions at the National Assembly, and let us not repeat that the Sandinist must disappear from the political arena of the country, Ortega said, after explaining that the continuation of revengeful positions would bring instability to the country.

Ortega stated that the FSLN [Sandinist National Liberation Front] has never tried to destabilize the country. On the contrary, the Sandinists have adopted a constructive stance, which has created disputes even within the party's ranks, Daniel Ortega concluded.

Workers' Groups Meet, Issue Joint Resolutions

PA0107201491 Managua Radio Catolica in Spanish 1130 GMT 26 Jun 91

[Passages within quotation marks are recorded; all numbers as heard]

[Text] UNO [National Opposition Union], COSEP [Higher Council of Private Enterprise], the Permanent Workers' Congress [CPT], and the Nicaraguan Resistance [RN] have pointed out that now, a year after the current government came to power, the reins of the police and the Armed Forces have still not been taken. They also criticized the fact that many actions of the current government resemble the actions of the FSLN [Sandinist National Liberation Front].

Eric Elche Lainez will read the resolutions issued during the UNO meeting, over this joint transmission by "The Awakening" newscast of Radio Catolica and the "Pearl of the North"newscast of Radio Matagalpa:

[Elche] "Productive activities and the possibilities for creating jobs for thousands of unemployed workers in the entire country suffer from a lack of a state of law and the absence of authority in public order matters.

"3. This lack of authority in public order matters stems from the fact that after a year in power, the government has not yet taken the reins of the police, the Armed Forces, and the judicial branch.

"4. Many of the actions of the government resemble the arbitrary and corrupt actions that were typical of the previous government.

"5. A huge, unnecessary budget is being allocated to cover military expenditures, while the people continue to suffer from the disastrous condition in which the health and education sectors were left after a decade of Sandinist rule."

The UNO parties, COSEP members, the CPT labor unions, and the RN fronts are demanding urgent actions in view of the slow progress made by the democratic process. Elche reports on the actions that are urgently demanded by the country's democratic organizations so that the government ends its dependency on the Sandinists. Let us listen to Elche Lainez.

[Elche] "The following actions are urgently required:

"1. The government should be asked to nullify and declare totally nonexistent the so-called Transition Protocol, and to fulfill the Bambana agreements.

"2. The government should be asked to abstain from granting land title deeds until the proper legal and administrative framework is established.

"3. The government should be asked to suspend and to dismantle the new pinata-like giveaway decreed over the properties of Cafelit, Asolit, and Agroexco.

"4. The government should guarantee the stability of the occupants of small urban land lots and small farming lots.

"5. The definitive solution to property problems should do justice to the true needs of the poorest sectors, by giving them the proper compensation, or relocation in cases of illegal possession of property which they cannot efficiently farm."

Democratic organizations that led Violeta Chamorro to power are asking her to implement the famous 17 constitutional reforms. The new government is exercising power with the same constitution enacted by Commander Daniel Ortega. Those close to President Chamorro are taking advantage of the powers that the Daniel Ortega constitution gives to the Presidency.

[Elche] "Constitutional reforms that can allow for a deep reform to the judicial branch should be promoted to eliminate its biased system, appoint honest, upright judges, and restore the jury system.

"7. The arbitrary law on police duties should be repealed, and the executive branch should sign the new law on the jurisdictional duties of the police, which has already been approved by the National Assembly.

"8. A civilian defense minister and a civilian police chief should be appointed so they can implement a true disarmament process, the professionalization of the Armed Forces, and the elimination of military privileges.

"9. Military machinery and equipment should be the object of a public inventory, and they should be sold to generate income for health and education. Meanwhile, a civic action program should be implemented by the Armed Forces to repair the country's infrastructure.

"10. The 17 constitutional reforms, contained in the UNO government program, should be approved so as to eliminate the centralist, dictatorial, and continuist framework derived from the Sandinist philosophy."

The UNO organizations from the private sector and members of the CPT and RN agreed to defend municipal autonomy, which has been threatened in the last few days. This is the final part of the UNO document.

[Elche] "11. To guarantee municipal autonomy and put an end to the maneuvers to dismiss elected UNO mayors who do not cooperate with certain orders that are frequently issued by the central government.

"12. The concerted efforts should stop being a vehicle of arrangements between the government and the FSLN, and should become true forums of consultation with all sectors. The government should distinguish between the wishes of the majority and the impositions of a minority.

"Olof Palme Convention Center

"25 June 1991"

Document Evaluates Agreements With RN

PA0107191791 Managua Radio Nicaragua Network in Spanish 1633 GMT 27 Jun 91

[Document "assessing agreements between the Nicaraguan Government and the Nicaraguan Resistance (RN)" on the occasion of the first anniversary of the RN demobilization, issued at the Olof Palme Convention Center in Managua on 27 June as read by various RN members—live; all numbering and lettering as heard]

[Text] [Bernando Pastora] Document assessing the agreements signed between the government and the Nicaraguan Resistance:

Introduction

The Toncontin Agreement was signed on 23 March 1990 in Tegucigalpa, Honduras. Afterward, the Addendum to the Toncontin Agreement was signed on 18 April 1990 in Managua, together with the immediate cease-fire agreement between the RN and the government.

Once the new government was installed, the Managua Declaration was signed on 4 May and the Managua Protocol on Disarmament, together with the Annex establishing development zones, was signed on 30 May 1990, in which disarmament and the end of the war were agreed upon.

Similar agreements were also signed with the Yatama [Miskito, Sumu, and Rama Indians, and Creole groups organization] Atlantic Front and the Southern Front. All of these agreements were duly sponsored by His Eminence Cardinal Miguel Obando y Bravo. Their chief objective was to establish the framework for national reconciliation in Nicaragua.

In summary, the previous agreements established the government's commitment to guaranteeing the physical and moral safety of the former RN members. In addition, it ensured access to productive land and material and social assistance for the former rebels, their relatives, and war victims—widows, orphans, and the war handicapped.

This document represents an assessment of the overall agreements mentioned earlier and signed by the government and the RN. The document also contains recommendations and a strategy for providing support to the former rebels for 1991 and 1992. This document constitutes the result of an intense working session that began on 17 June and culminated today, 27 June 1991. Participating in it were delegates representing former rebels from the four RN fronts, the Cabinet, the Army and police, the Violeta Barrios de Chamorro government, Cardinal Miguel Obando y Bravo, the International Support and Verification Commission [CIAV-OAS], the UNHCR [United Nations High Commissioner for Refugees], the PAHO [Pan American Health Organization], the SUPAN [expansion unknown], the UNDP [United Nations Development Program], and local human rights groups.

This forum of dialogue must be strengthened as a permanent liaison mechanism between the central government and the RN, as a broad and sincere forum that promotes an element essential in this process of reconciliation, which is helped by these agreements. Without trust, reconciliation is a piece of paper, democracy is a piece of high rhetoric, and the future of the country is a return to the past. The objective therefore, is to strengthen this trust.

We now proceed to present the results of the evaluation, recommendations, and plans between the government and the resistance that have been gathered in this document. It is necessary to point out that this document is based on the results of efforts by the commissions that prepared a very extensive document, which contains a great amount of data. This data must be ratified and studied in depth by the follow-up commission of this agreement. In addition, it must be used as a framework for the follow-up convention. In general terms, and considering the severe limitations this administration inherited from the last administration, and the extremely complex situation as result of a ten-year fratricidal war, from the analysis of compliance with the agreements, we can conclude that there are objectives that must be redefined, aspects that can be improved, and issues that are still unresolved.

Within this framework, the government has the firm intention of doing its best to obtain full compliance with the agreements. Likewise, all the participants present for this work session state our firm commitment to the democratization, pacification, and national reconciliation process within the framework of justice and liberty.

Security Commission

In the Managua Declaration, President Violeta Chamorro, in the capacity of minister of defense, ordered the immediate withdrawal of all Army, security, and paramilitary forces from the areas agreed upon in the cease-fire signed on 18 April.

She also ordered the collection of all of the weapons maintained by civilians in the areas in question, and

their immediate destruction. The collection and destruction of weapons has not concluded; nevertheless, we have confirmed that progress has been made, and the monument to peace attests to this.

Today, in conjuction with the CIAV-OAS, we are seeking international support to conclude this important task through communication and education programs. The RN does not recommend direct payment for the surrender of rifles.

In the Managua Declaration and the Disarmament Protocol the president reiterated the Toncontin pledge, whereby the physical and moral integrity of each and every RN fighter, their relatives, and the civilian population who are with them will be guaranteed.

The Security Commission has proven that during the first year after the war, an estimated 62 to 67 demobilized RN members and relatives were killed as a result of political violence; this constitutes less than one in 1,000 of the demobilized and repatriated population.

The commission also acknowledges that there have been approximately 1,400 human rights violations among the demobilized, perpetrated by armed civilians as well as military men. These violations are at times prompted by a lack of authority and at other times because justice is applied in a biased manner. The truth of the matter is that this does not happen everywhere; it happens in those areas where there was greater military activity.

Regarding the public security issue, the commission recommends:

1. The transfer of institutional police commands whose actions may hinder the reconciliation process.

2. The prosecution at capable courts of soldiers and policemen involved in proven crimes and misdemeanors.

3. The intensification of the National Police's professionalization with the participation of other Nicaraguans, regardless of their political or religious persuasions.

4. The enforcement of the law that changes the police's symbols.

5. A constitutional reform to change the Army's name, formation, and structure.

6. The creation of permanent national, regional, departmental, municipal, and rural security commissions, which will comprise: (?Sandinist Peoples Militia), EPS [Sandinist People's Army], demobilized RN members, Cardinal Obando's Verification Commission, CIAV-OAS, and a human rights commission. They will try to improve the demobilized's physical and moral security.

This commission will deal, first of all, with the complaints presented by the RN's civic association and the detailed accounts that the CIAV-OAS presents at the Government Ministry.

Polarization and Communication

The commission has observed that a situation of polarization still exists in some sectors of the country, the result of the historic burden of a 10-year war and UNO's [National Opposition Union] electoral victory, which took the FSLN [Sandinist National Liberation Front] and its rank and file by surprise. The commission has also pointed out that biased reporting by the media does not in any way contribute to the reconciliation process.

The following recommendations are made:
1. Ask all of the political parties, especially the FSLN, and all of the social groups to limit their actions to a democratic framework, doing away with the use of force, coercion, threats, etcetera, to attain political and social achievements.
2. Develop a broad-based campaign to re-educate civilian society.
3. Ask the media to use moderate language and to be truthful.

Disarmament

Since the National Disarmament Commission has encountered certain difficulties in executing its duties because of its structure, the Security Commission recommends that the Disarmament Commission be structured as follows:
1. The presidency minister or his representative will be the chairman.
2. The government minister or his representative.
3. The EPS's commander in chief or his representative.
4. One representative from each of the RN's four fronts.
5. One representative from the parties that comprise the UNO.
6. One FSLN representative.
7. His Eminence the Most Reverend Cardinal Miguel Obando y Bravo or his representative.
8. The OAS through the CIAV.
9. The attorney general for justice or his representative.

This Security Commission suggests that to ensure effective national disarmament, a publicity, civic, and educational campaign should be implemented that encompasses all school levels.

The Security Commission also recommends developing incentive campaigns among government institutions, social organizations, and other active forces in the country, so as to guarantee the publicity and education campaign.

Operational Mechanisms

The commission suggests establishing the following mechanisms:
A. Follow up the Security Commission's invitation to the FSLN on 24 June 1991 and the FSLN's willigness to disarm FSLN rank and file and civilians.
B. An adequate period to implement the publicity campaign to persuade the population to disarm.

C. It is suggested that the commission set the time period allowed for civilians to hand over their weapons.
D. Legalize all non-military weapons in the hands of civilians.
E. Verify through the central arms registry to ensure that the military arms confiscated up to now are the same as those issued at the time.
F. Formally ask the EPS and the National Police for weapons confiscated from civilians to be handed over to the national disarmament commission, so as to exchange them through international organizations for productive equipment or for the weapons to be destroyed.
G. The commission should be assigned a working budget.

Law Application

The Commission notes that the administration of justice has not been totally impartial. This has been observed in some cases at the judicial and police level. It recomends drafting a program of professional retraining that is in line with its message regarding the professionalism of police and impartiality of judges. In addition, the people must be informed about the processes of investigating and clarifying past and future crimes. Thank you. [Applause]

[Bohanerges Matus]**Land Commission**

Assessment of the agreements between the government and the RN Achievements.

Agreement No. 1. Establishment and implementation of development areas in the areas demarcated by the government and the RN.
A. The process of implementing the development areas during the process of negotiations served to instill confidence in the RN fighters to disband and foster the conditions for their reincorporation into the country's mainstream. The transfer of the demobilized fighters to different parts of the country allowed many of them to settle in small parcels of land where they now engage in farming for their own consumption. Hence, the integration into the healthy process of national reconciliation on the part of settlers, squatters, and peasants organized in cooperatives was achieved with a greal deal of success.
B. Nationwide, 10,493 [number as heard] demobilized fighters have received land as follows.

The Northern Front. Land allocated: 255,818 manzanas. Total of persons benefitted: 7,028. There are 1,032 of them who have occupied lands in Region 6, in particular. Total of persons benefitted: 8,060 persons. The man to land ratio is 31.7 manzanas per head of household.

Central Front. Land allocated: 26,856 manzanas. Total of persons benefitted: 595. The man to land ratio is 45.1 manzanas per head of household.

Southern Front. Land allocated: 55,429 manzanas. A total of 1,338 persons benefitted. The man to land ratio is 41.4 manzanzas per head of household.

YATAMA Front. Land allocated: 32,089 manzanas; benefitting a total of 520 demobilized fighters. The man to land ratio is 65.6 manzanas per head of household.

Nationwide total: 371,000 manzanas were allocated to the different war fronts, benefitting a total of 10,032 demobilized fighters in a man to land ratio of 35.3 manzanas per head of household.
C. At present, no less than 80,000 manzanas are being used, entailing a considerable increase in the production of basic grains in the country. In addition to the identification and demarcation of the El Almendro development area, the Rio Blanco, Bocay, and Ayapa zones were identified as geographical reference points, and a 42 km road was built in the latter zone, allowing access to a land bank measuring from 40,000 to 50,000 manzanas.
D. On the Southern Front, the geographical region called Yonaima was defined as community development zone. Because of that decision, the Gateada, Ildea, and Calolinga roads were widened.

E. Some of the remaining demobilized fighters are not peasants. Those who are peasants will be included on a priority basis on the lists of lands already located by INRA [National Institute for Agrarian Reform].

Agreement No. 2. The demobilized RN members and their families will be given priority in returning or paying compensation for their properties, goods, and real estate.

Annex of the Disarmament Protocol

Compliance with this agreement has been inadequate, since cases involving the return or compensation payments are few. The president is asked to instruct the Reviewing Commission to extend the deadline to receive petitions from demobilized RN members, based on the agreements already signed. The president is asked to:
A. Reactivate the Tripartite Commission, comprising IRENA [Institute of Natural Resources], INRA, and RN, coordinated by Inire [Nicaraguan Repatriation Institute], and expand said Commission to include the Agriculture and Livestock Ministry.
B. Expedite the process to grant title deeds for land handed over already by INRA to the RN.
C. Incorporate RN delegates, appointed by RN delegates, into the staff that provides stability to and care for the demobilized RN fighters

2. Aspects that must be improved within the framework of the agreements:
1. Improve development areas in this fashion:
A. Regarding the installation, development and implementation of community development centers, task government delegations with admitting demobilized fighters and their relatives.
B. The RN will submit to the government a list of those benefitting from this program and their relatives in each development area or community center.
C. The execution of studies and preparation of a list of projects for the development of proposed towns, to be implemented with the participation of the demobilized fighters.

D. The creation of bipartite commissions, involving INRA and the National Development Zones Center and comprising delegates from all the fronts to draft those projects.
E. The implementation of the demarcation of territories based on land ownership, definition of a macroeconomic policy to promote small- and medium-scale production, and preparation of social service programs aimed at the development areas and neighboring areas.

3. General recommendations.
1. To identify and propose a land bank in private and state areas nationwide and to organize land ownership.
2. Include the participation of INRA and RN delegates in the process to privatize lands being implemented by Cornap [People's National Corporation].
3. To have the government define as soon as possible the policy to pay compensation to demobilized RN members whose properties were confiscated.
4. To draft and implement micro-enterprise projects in training programs to ease the pressure for land by the demobilized fighters.
5. To enable the INRA in its charter law to organize land ownership nationwide.

[Enrique Zelaya Cruz]**Social Commission**

Introduction: In reflecting the views of the RN delegates, this Commission wishes to go on record as noting the demobilized fighters' recognition of the government and at the same time its decided support during the review of the social benefits they have received during the first year of their demobilization and their just demands to greatly increase such benefits.

1. Achievements: The National Reconciliation Program contains social benefits. Although this is an agreement subsequently signed by the president and the United Nations, it benefits the demobilized RN fighters. The document establishes four kinds of benefits that were offered.
A. Social emergency measures implemented immediately following the RN's disbandment.
B. Social measures to ease the consequences of the war among the demobilized fighters and their relatives.
C. Measures that contain medium- and long-term social program, such as the development areas.

D. General measures affecting the social conditions of demobilized RN members, such as: a) Return of their properties or the respective indemnification. b) Legal measures to settle the legal status of the demobilized members' families.

2. Regarding the agreements signed between the Nicaraguan Government and the RN and the assertion made by some government officials in the sense that the government has complied with those agreements through the CIAV-OAS, we clarify:
A. The CIAV-OAS mission is based on the agreements signed in Tela, Honduras in 1989 by the five Central American presidents, in which its constitution, mandate, objectives, and financial means are stipulated.
B. The new Nicaraguan Government requested special aid from friendly governments and obtained $30 million to help satisfy the needs of the RN.
C. The CIAV-OAS was commissioned to implement programs to assist the RN using the funds that were obtained with the victory of the government of national salvation. Had the government of national salvation lost the elections, those $30 million would not have been obtained for the RN. Therefore, there would have been no demobilization or disarmament.

3. Aspects that Need Improvement Within the Framework of the Agreements: An objective evaluation shows that some government officials are unaware of the contents of the agreements. Therefore, it is necessary to make those agreements known to ministers and other government officials, who should promise to respect those agreements having full knowledge of their contents.

4. Aspects Pending Compliance:
1. We believe that social programs encompass a wide range of problems having direct repercussions on the social, economic, political, and productive reincorporation of the demobilized RN members, repatriated citizens, and their relatives.
2. The government recognizes that in social aspects, it has not been able to fully comply with the agreements signed with the RN, not because it has not wanted to, but because of a lack of funds.
3. The social demands to alleviate the consequences of the war suffered by the demobilized RN members and their families and all the Nicaraguan people—particularly aspects related to assisting war wounded, orphans, and widows to guarantee their recovery and social readaptation and the delivery of their respective pensions—have not been satisfied due to lack of domestic funds. 5. Recommendations and New Ideas for a Plan to Support Demobilized RN members:
1. Satisfy the social needs and expectations of the RN, reaffirming the general political recognition of the identity, evolution, motivation, and ideals that inspired its struggle as an important contribution to Nicaragua's democratization, peace process, and development. This recognition guarantees the personal and collective dignity of its members and relatives, and facilitates their reincorporation into civilian life.

2. To provide thorough social assistance, the programs must directly aid the people living in areas where the RN and their relatives have settled.

There is a new social border in the country, in regions one, five, six, and the autonomous Atlantic region that surpasses the political and military boundaries established by the previous government. Therefore, taking into account the new social border, the government must give priority and decentralize the services and programs that have thus far not effectively reached the demobilized RN members. It must comply with agreements reached on aspects of development providing all the necessary assistance from the new government in the areas where demobilized RN members have naturally

settled. The government must promise to include in its list of priorities the areas having a high percentage of refugees, demobilized, repatriated, and displaced people.
3. Strengthen the presence of Inire at the central and departmental levels, in technical, financial, and institutional aspects, to guarantee the immediate attention of demobilized RN members and repatriated citizens with material, means of communication, transportation, training, handling and administration of projects. In all national and financial programs the government must include allotments to strengthen Inire.
4. In Nicaraguan development plans, ministries and other government institutions must urgently include and implement broad community development plans in the communities where demobilized RN members and other citizens affected by the war have settled in region one, five, six, and [word indistinct]. The plans will concentrate particularly on the areas of housing, health, education, potable water, energy, communications, recreation and highways, credits for production, technical assistance, training, and making land available to demobilized RN members and all those affected by the war.
5. Extend to the areas, where RN members and their relatives have settled, the Health Ministry [Minsa] network and primary attention programs, taking into account that they are basically peasant communities with epidemiologic characteristics similar to the rest of the population, widely analyzed in the basic health plan.
6. In education, promote special programs for demobilized RN members, basically in regions one, five, and six, taking into consideration the size of the population, budget limitations, and the lack of teachers.
7. Request immediate financial assistance for health programs recommended by international organizations and by the Minsa, and implement the policy of local systems of thorough health care as soon as possible in the areas established by the RN through Inire. In addition, respect the guidance from the RN representative to the Minsa to channel the funds approved by the CIAV-OAS to train paramedical personnel with technical support from the Pan-American Health Organization.
8. The government will cooperate with RN efforts in Honduras and Costa Rica to exhume the bodies of RN members and bring them to Nicaragua to be buried with others that are already inside the country. They will be given plots in cemeteries selected for that purpose.
9. The government will develop an ecological guidance program with Irena to preserve natural resources in RN settlement areas.
10. The president is to help expedite the approval of the draft resolution presented by the Nicaraguan Human Rights Association to the National Assembly in October 1990 to do with the registration of babies born outside Nicaragua.
11. The president is to include the RN as a beneficiary of Law 98, as well as the RN's war disabled, whose identification has been supplied by the former RN's civic association or other associations approved by the Nicaraguan Repatriation Institute.
12. Include and expedite INSSBI [Nicaraguan Social Security and Welfare Institute] attention to RN disabled, widows, and orphans. The INSSBI's budget is to be increased so that it can satisfy the great number of Nicaraguan beneficiaries who have the same rights.
13. Centers handled by international organizations exist for war wounded to reenter society, such as in Jinotega, Ocotal, and El Rama. The government must obtain the necessary funds so that these types of projects can be extended throughout the country.
14. Cardinal Miguel Obando y Bravo's verification commission is to continue its work supervising compliance between the central government and the RN.
15. Request the return of confiscated radio equipment, now in the hands of the Government Ministry, to improve communications with RN settlements in distant communities.

16. Provide employment opportunities to RN radio operators in TELCOR-sponsored projects by using the aforementioned radios.
17. The government will give more attention to the politicized and inefficient workers in state institutions by reeducating, resettling, and replacing them with more positive thinking and efficient personnel characterized by more efficient-minded service to the community.
18. With the support of the RN demobilized leadership, we must overcome the humanitarian aid stage and promote development programs that will help the demobilized RN to support themselves. Take more advantage of programs managed by institutions such as PRODER, PECUDRIN [previous two expansions unknown], INIFOM [Nicaraguan Institute of Municipal Development], local governments, the UNHCR [UN High Commissioner for Refugees] and so forth, with specific plans to support and develop the RN settlements and promote the reconciliation efforts of the National Reconciliation Program.
19. The commission acknowledges that the government is making serious efforts to improve the attention to priority sectors such as that of the demobilized. The importance of the document presented by the Ministry of the Presidency, entitled "National Reconciliation Program," is acknowledged. The document addresses essential issues associated with displaced persons and refugees as a fundamental part of the National Reconciliation Economic and Social Rehabilitation Program accredited to the Ministry of the Presidency.
20. The government will negotiate assistance in order to create the institute that will provide improved attention to RN war victims, just as CENAC [National Commission of Support to Combatants] attends to the needs of the Sandinist People's Army disabled veterans. Thank you.

[Rodolfo Ampie Quiroz]**Material Aid Commission**

1. Agreements Evaluation: The Material Aid Commission has been able to detect some accomplishment, partial achievements, and issues that are still pending to be resolved.

Achievements:

A. According to the list of projects presented by the government and other institutions that participated in the 17-20 June work session, the material aid for the demobilized population totals $14,278,332.
B. With the support of the central government, an emergency harvest plan was promoted, with particular emphasis placed on credit for the demobilized fighters.

Partial Compliance:
A. Partial compliance has been achieved with the appointment of some RN members in several government entities, such as Inire, INRA, [word indistict], and the Government Ministry. However, there is still no RN participation in other agencies that handle the problems of the demobilized fighters.
B. We notice partial compliance with the agreements on the matter of the support that government agencies provide the demobilized fighters.
C. Humanitarian aid has been constant albeit limited.

Pending Aspects:
A. Minimal economic aid to the demobilized RN fighters has not been provided owing to the government's tremendous lack of resources and the inefficiency of some officials.
B. Assistance that is to be provided to the demobilized fighter who leaves the security zone.
C. Participation of local governments in the development areas.

2. General recommendations by the Material Aid Commission.
A. Define the government's social policy, which should give priority to the demobilized RN fighters, repatriated persons, families of the fallen fighters, handicapped war veterans, widows, and children affected in one way or another by the armed conflict.
B. Design immediately an overall action strategy in which the government's programmed plans and projects for RN members and their relatives are discussed.
C. Assess and follow up on projects presented by different government entities to the Foreign Cooperation Ministry, MCE, that in one way or another aim at helping the RN members, something that is to be implemented by the National Reconciliation Program, PRN, of the Presidency's Technical Directorate.
D. Promote an active program of administrative reforms that will make it possible to have an open, efficient, and effective management in providing resolutions to the RN's social demands.
E. Create an interinstitutional and interdisciplinary technical commission for the purpose of redefining the development areas in a realistic, feasible, and scientific manner.
F. Reach a new agreement between the central government and the RN, based on the general recommendations outlined by the different commissions, tasking the CIAV-OAS, Cardinal Miguel Obando y Bravo's Verification Commission, and the Nicaraguan Human Rights Association with verifying the agreement. These verification groups will be obligated to submit updates, at least every three months, to the National Settlement Planning and Administration Center, Cenpad, the RN's Civic Association, the Inire, and the PRN. The latter is to include the participation of the Vice Presidency Ministry's Office for Social Affairs.

In addition, a follow-up commission should be established with the aforementioned entities to ensure the agreements are complied with. This new agreement is partly based on the RN's unchangeable purpose of expanding its commitments to democracy in the country, as was expressed in agreements signed earlier and reviewed in this seminar.

This new agreement must reflect the changing social changes that have been experienced in the past year, including aspects of security and the commitments to solve land problems, and especially the delayed development experienced in the different RN communities.

The sides signing the agreements are aware of and go on record as recognizing the work of Cardinal Miguel Obando y Bravo in the process of peace and democracy that all Nicaraguans enjoy today.

We respectfully ask Cardinal Obando y Bravo to use his moral authority for the benefit of those who at a given moment put down their weapons and now are going through the social reintegration process. We present this commission's request that he continue his valuable contribution in the task of verifying compliance with signed agreements.
G. It should be clearly stated what mechanisms are to be implemented to secure the participation of the RN members in public administration sectors that directly or indirectly have to do with the daily life of this social group in order to open up opportunities for representatives of the group's interests.
H. The status of demobilized fighters who have no identification cards should be reviewed.
I. The demobilized fighters should be included in the assistance programs of the CIAV-OAS, and in any other assistance program of state institutions. The demobilized fighters should be able to form part of boards of directors under RN tutelage. This would be in compliance with commitments that Inire, the PRN, and the Institute for the Development of the Atlantic Coast acquired with these groups at the beginning of the month.

It is necessary to redefine the development center concept with a basis on social and economic development in zones and microzones and on how the land has been distributed.

3. Recommendations to the Projects Department
1. We recommend the creation of a bank of projects that should function in coordination with the PRN and the Specialized Secretariat of the National Commission of Refugees, the Displaced, and the Repatriated of the Office of the Vice Minister of the Presidency. This bank of projects should receive feedback from government and nongovernment organizations.

2. The creation of a specialized commission affiliated with the PRN. Demobilized members of the Nicaraguan Resistance should participate in this commission through Inire, the National Center for Planning and Administering Development Centers, the Foreign Cooperation Ministry, Irena, and INRA. This commission would be in charge of drafting, evaluating, promoting, and implementing programs.

4. Specific Recommendations

1. Projects Being Implemented

A. By Government Institutions: Based on an analysis of projects being implemented by government offices, it has been established that there are only a few programs directed at helping demobilized RN members. One of these programs is the Emergency Basic Grains Plan of Inire. We recommend that demobilized RN members be integrated into this kind of project.

B. By International Institutions: Based on the information we have, most of the projects being implemented now by international organizations do not help the demobilized RN members. Only the CIAV-OAS programs are helping these people, but only partially, because of budget limitations.

The term during which this organization is to support development programs ends at the end of July 1991. As of that moment, the demobilized RN members will no longer be backed by projects that enhance their condition as human beings. Taking into consideration the imminent conclusion of the term of the CIAV-OAS, we recommend that either an integral development program directed at the demobilized RN members be urgently devised and implemented, or that the term of the CIAV-OAS in support of development projects be extended.

This renewed cooperation would be planned and implemented with the participation of an interinstitutional commission. Likewise, we recommend the devising of mechanisms to take on the roles played by the CIAV-OAS and the UNHCR.

2. Investment Projects

It has been found that few of the government projects presented to various organizations view the demobilized RN fighters as their main concern. The Nicaraguan Institute of Repatriation, Inire, has the demobilized RN members as one of its concerns, as its list of projects indicates. With regard to projects of nongovernment organizations, the National Center of Planning for the Development Centers—an organization created by the Civic Association of the RN—has presented its projects aimed at the integral development of demobilized RN fighters.

Because of all this, we recommend giving priority support to nongovernment institutions having to do with financing development projects of demobilized RN members. These projects will be presented by the commission for implementation in the near future.

It is also recommended that projects already under way be restructured and reorganized through a technical commission pending financing.

It is recommended that the demobilized members and their families be given access to flexible loans with a preferential interest rate, within established credit policies.

Last, it is requested that the president sanction as quickly as possible Decree 394, which gives legal status to the RN Civic Association. Thank you. [applause]

In conclusion, we can say:
1. The government reaffirms its commitment to complying with the agreements that it has made, and the demobilized resistance members will support the government's efforts to comply with those commitments.
2. An analysis of the work done by the four commissions reflects recognition of the government's commitment to extend support to the demobilized resistance members, but there also emerges a feeling of concern over the government's ability to overcome the obstacles that it faces in the areas of security, the turnover of lands, and social and material support to fully carry out the agreements signed by the government and the RN.
3. It is also acknowledged that difficulties have been faced by the demobilized resistance fighters, the government, and other demobilized sectors of the country in the effort to achieve a total reintegration of all demobilized fighters into civilian life in the first year; nevertheless, a large number of demobilized fighters have successfully reintegrated.
4. The government recognizes the altruism and nobility of the demobilized RN members, who put down their weapons in the name of peace and reconciliation; the demobilized RN fighters acknowledge that the principles of democracy and freedom of the government of national salvation are authentic.
5. The design and methodology used in this working effort is an example of democratic participation that promotes and increases levels of trust among people; this manner of doing things should be used continuously by this government.
6. It is the duty of both the government and the demobilized RN fighters to strive for peace, reconciliation, democracy, and freedom.
7. We reaffirm that our Christian faith is the temple that unites us over and above all else. Thank you. [applause]

Sandinists Reiterate Withdrawal From Assembly

PA0107220391 Managua Radio Sandino in Spanish 1200 GMT 1 Jul 91

[Text] The Sandinist legislators will not return to the National Assembly until conditions exist to continue a debate based on national reconciliation, Dr. Sergio Ramirez, leader of the FSLN [Sandinist National Liberation Front] faction in the National Assembly, said this weekend.

Ramirez said that the Sandinists will not return to the legislature until it draws up a working agenda that does

not contain revengeful elements such as the proposal to repeal Laws 85 and 86, which benefited 1.2 million families throughout the country.

The Sandinists withdrew from the National Assembly several weeks ago when the UNO [National Opposition Union]-controlled leadership in the Assembly decided to include in the agenda a Conservative proposal seeking to eliminate Laws 85 and 86. The withdrawal of the Sandinists also includes their nonparticipation in the work of the Assembly's internal commissions, a situation that casts doubts on the actions by the ruling coalition in the legislative body.

Lacayo Says Talks 'Initiated' With Recontras

PA0207035791 Paris AFP in Spanish 0203 GMT 2 Jul 91

[Text] Managua, 1 Jul (AFP)—Minister of the Presidency Antonio Lacayo announced Monday that the Nicaraguan Government has initiated talks with armed former contras operating in northern Nicaragua.

Referring to attacks that groups of former contras, now known as re-contras, have launched over the past few days against towns in the northern region, according to unconfirmed local media reports, Lacayo stated: "They have carried out these actions to exert pressure on the government."

More than 500 of the 22,000 contras who were demobilized one year ago, when Violeta Chamorro came to power in Nicaragua, have taken up arms again demanding government compliance with its promise to grant them lands, in addition to other official promises to help the contras' reintegrate into the country's civilian life.

Lacayo denied during a news conference that leaders of the National Opposition Union (UNO)—a coalition of 14 parties that supported Chamorro's presidential candidacy—demanded, during a four-hour meeting held on Monday with the president, that he resign.

Lacayo characterized that meeting as "cordial" and noted that the main interest of the UNO leaders, when they met with the president, was to know the status of the program for reducing and restructuring the police and the Army.

The UNO leadership said last week that the government "is a captive" of the Sandinist National Liberation Front, the largest opposition party. On several occasions, UNO has requested the resignation of both Lacayo and Army Commander General Humberto Ortega.

Minister Discloses Contacts

PA3006181091 Managua BARRICADA in Spanish 26 Jun 91 p 5

[Text] Government Minister Carlos Hurtado announced on 25 June that he has had "contacts" with leaders of the so-called recontras so that they will lay down their weapons and "rejoin civilian life."

The recontras emerged in the mountains of northern Nicaragua in April, organized, armed, and ready to fight the government of President Violeta de Chamorro, accusing it of "not keeping its promises."

Hurtado, who spoke to Radio Ya yesterday, said that the initial contacts were held with leaders Valdivia, aka Dimas, and Rojito, who are 'willing' to find a solution to the situation." [quotation marks as published]

General Humberto Ortega, commander of the Army, said recently at the National Assembly that the groups of recontras have been encouraged by Vice President Virgilio Godoy Reyes and Managua Mayor Arnold Aleman.

Mario Amador, regional delegate of the Government Ministry in Matagalpa, told BARRICADA on 25 June that he recently met in Cua with Concepcion Valvidia, aka Dimas, the main leader of the recontras.

Amador said they discussed the security conditions demanded by the recontras, who asked for the creation of police units formed by the demobilized contras in Cua and Bocay municipalities.

Amador described the meeting as "cordial," and he announced the implementation of a disarmament plan that has to date resulted in the recovery of approximately 100 weapons.

Minister Hurtado yesterday admitted that the Mingo [Government Ministry] is experiencing a "difficult" economic situation, which affects the police efforts against crime because of the lack of resources, even to purchase fuel.

Hurtado promised to establish police patrols throughout the country, indicating that he will use every means—motorcycles, bicycles, and foot patrols—to reduce crime, especially in Managua.

Hurtado said he has made efforts at the Presidency to obtain a "reevaluation" of the Mingo budget, which would also permit an increase in policemen's salaries.

He also admitted that the prisoners being held by the National Penitentiary System are experiencing "difficult" times because there is not enough food as a result of the Mingo's budget situation.

Deputy Presidency Minister on Takeovers, Land

PA2806192791 Managua Radio Nicaragua Network in Spanish 1200 GMT 27 Jun 91

[Text] Presidency Deputy Minister Antonio Ibarra has stated that the takeover of the Managua Municipality offices was a puzzling action because the Managua mayor is not authorized to sign land titles for urban lots assigned prior to 25 February 1990. He added that the government is not going to give in to acts of blackmail and force, such as the continued illegal takeover of the

Managua municipal installations. For Nicaragua and the world we present the statements by Deputy Presidency Minister Antonio Ibarra:

[Begin recording] [Ibarra] We started talks and negotiations with the leader of the community movement, Commander Monica Baltodano, on 22 June. The talks have been cordial and interesting and we have expressed the will of the president to solve problems as she promised during the UNO [National Opposition Union] campaign. She wants the people who had land rights in accordance to the existing law prior to 25 February 1990 to rest assured that they will receive land titles.

These laws were a heritage of the past and they assigned lots to people and neighborhoods in different economic sectors. Our priority is to issue land titles for all these lots immediately. However, we will not sign any agreements with movements that are responsible for the illegal takeovers of municipal offices.

We clearly want to state that the Managua municipal offices have been occupied for nine days by these people. The government finds this unacceptable. We will not allow anybody to encourage or support illegal actions against our country's de jure state. We are very concerned with the attitude of the police which has allowed the situation to continue [words indistinct] time. The Managua municipality has been jeopardized because it is not receiving its daily revenues. It is outrageous that a small group of people are able to block the attainment of true solutions and hinder the possibility of furthering land and development programs in Managua.

[Unidentified reporter] [words indistinct] of the president because of the lack of belligerence of police authorities [words indistinct] government ministry?

[Ibarra] We believe these are normal police activities and that the municipal authorities' instructions will be accepted by the police. The police do not need the Presidency minister's orders to comply with their duty of protecting government installations and to accept requests for protection issued by other government authorities.

Now, I want to clearly state the following: I do not understand the takeover of the municipal offices. The land title laws that support the Managua residents' just demands cannot be implemented by the mayors. These laws do not authorize mayors to sign land titles; they authorize the President to do so. Thus, the municipal takeovers are useless. These people have blocked the municipal tasks for the past nine days and that is not where their problems can be resolved.

The only laws that authorize the mayors to sign land titles are laws 85 and 86. I am sure that Mayor Arnoldo Aleman will not use or implement these laws. The government does not want to deal with these laws right now. Why? For two reasons. The property issue is currently being discussed by the representatives in the economic and social concerted effort. The government will not go against its policy of supporting the concerted effort's recommendations. [words indistinct] the National Assembly has suspended its debates on these laws precisely because it is waiting for the economic and social concerted effort to issue its recomendations. The President will not take action that will sabotage the concerted effort because the process was started on the President's initiative.

[Unidentified reporter] Have the land titling procedures been established?

[Ibarra] Our procedures have been established by the law and we are going to apply the law. The law is dated prior to 25 February 1990. We are not talking about laws 85 or 86. All the laws that refer to the rights over lots were already established in laws prior to 25 February 1990. We are going to expedite these laws and give them some content when we talk, agree, and sign an agreement with the community movement. However, we will not sign any agreement while local government offices remain occupied like [words indistinct] and until they stop attacking citizens of Managua. [end recording]

Sovereignty of Two Islands Ceded to Colombia

PA3006224391 Managua Radio Sandino in Spanish 1200 GMT 29 Jun 91

[Text] The Nicaraguan Government has officially renounced sovereignty over the San Andres and Providencia islands. Nicaraguan Foreign Minister Enrique Dreyfus said in Venezuela [as heard] on 28 June that San Andres and Providencia islands, on the country's Atlantic coast, belong to Colombia.

The Sandinist government had stated that the islands belonged to Nicaragua and that Nicaragua reserved the right to struggle for their recovery at any time. The islands are located on what is considered to be part of Nicaragua's continental shelf. The renouncement of the islands comes one month after the National Assembly repealed Law 96, making it possible for the government to abandon the suit won by Nicaragua against the United States at the International Court of Justice.

In Nicaragua's history the country has lost, in addition to the Caribbean islands, the territory of Guanacaste which now belongs to Costa Rica, and a large stretch of the border with Honduras.

Managua Mayor Leads Protest Against Decree

PA0107035791 Managua BARRICADA in Spanish 28 Jun 91 p 5

[Excerpts] Managua Mayor Arnoldo Aleman yesterday accused the central government of "violating the autonomy of the municipality" of Managua. He virtually challenged the government to wrest from him the control he has, according to what he said, over the capital's downtown area. Reportedly an effort was made, through the recently issued Decree 26-91, to shatter his authority over downtown Managua.

Aleman headed a march of approximately 1,500 people, most of them municipal workers and employees, from the Mayor's Office and the capital's six districts who were given the day off by the mayor to back his demands that the government nullify the decree. [passage omitted]

Speaking at the steps of the timeworn Cathedral, Mayor Aleman asked the government to nullify Decree 26-91, which was issued on 19 June. Through this decree, the government seized authority over downtown Managua from the mayor. [passage omitted]

More Than 1000 Rally To Support Godoy in Boaco

PA0107224591 Managua Radio Catolica in Spanish 1130 GMT 1 Jul 91

[Text] On 30 June more than 1000 people attended a rally in support of Dr. Virgilio Godoy in the city of Boaco. Vice President Virgilio Godoy was received at the entrance of Boaco by approximately 1000 people. At around noon Godoy marched with the people of Boaco Department from the entrance of the city to the Las Tres Cruces neighborhood.

During the march, Dr. Godoy made statements in favor of the unity of the UNO [National Opposition Union] which aims to strengthen democracy. Dr. Godoy stated that it is necessary that all the UNO forces in Nicaragua remain united to strengthen democracy.

Dr. Miriam Arguello, Deputy Julia Mena, and delegations from across Boaco Department attended this rally.

Later, a dinner to honor Dr. Godoy was held at a farm on the road to (?Tamoapa), Boaco Department. During the afternoon, Dr. Godoy met with political leaders of Boaco Department in the city of Boaco.

Panama

PDC Legislator Accuses Hinton of 'Meddling'

PA0107191691 Panama City LA PRENSA in Spanish 1 Jul 91 p 1A

[By Manuel Alvarez Cedeno]

[Text] Guillermo Cochez, legislator for the Christian Democratic Party (PDC), has accused U.S. Ambassador to Panama Deane Hinton of meddling in Panama's internal affairs by "acting as if he was an official of the government" of President Guillermo Endara.

"The U.S. ambassador gives his opinion about every issue in Panama. The government of President Guillermo Endara, however, should be blamed for this situation for tolerating the ambassador's disrespectful remarks," Cochez told the press.

Over the past 18 months and since he assumed the duties of ambassador to Panama, Hinton has expressed his views on police handling of the recent student riots, the break up of the government coalition, and the constitutional elimination of the army in Panama.

Guillermo Cochez, legislator and vice president of the PDC, cited as an example that Hinton appeared "improperly dressed with a guayabera [tropical men's shirt]" at the recent signing of an assistance agreement between Panama and the United States. Cochez described this as a disrespectful action.

"There are officials in the current administration who, imitating what General Manuel Noriega did in the past, are only interested in pleasing the Americans with things that they have not even requested," Cochez insisted.

However, Cochez described the Americans as "our friends, but within the framework of mutual respect."

Cochez stated that he has received reports indicating that many European and Latin American ambassadors accredited to Panama are privately criticizing the government for allowing Hinton to constantly make statements on the internal affairs of Panama.

PRD, PDC Hold Back MLAT Discussion

PA2906144291 Panama City EL PANAMA AMERICA in Spanish 28 Jun 91 p 8-C

[Report by Carlos Vargas]

[Text] Legislators of the Christian Democratic Party (PDC) and the Democratic Revolutionary Party (PRD) broke the quorum at the Legislative Assembly yesterday, precisely when the debate over the Mutual Legal Assistance Treaty [MLAT] began. The MLAT is a legal instrument, signed in May 1990 between the United States and Panama, to fight drug trafficking.

Legislator Leo Gonzalez requested a change in the day's agenda to discuss the MLAT but Legislator Carlos Arellano Lenox claimed he had requested the floor first. The dispute sparked a row in the parliamentary hall.

Legislator Arellano Lenox said that the reason for the agenda modification request was to obtain the approval of a resolution to uphold a draft law on loans. Through the draft law the Legislative Assembly would regulate all loan requests over $10.0 million, as requested by the president.

Lenox argued that there was an agreement between the government and opposition benches to tie in the loan draft law to the MLAT.

Several opposition legislators said that this disagreement between the two wings could jeopardize the approval of the MLAT, as there are only two days of discussions left before the present period ends.

The approval of the MLAT is conditioned to an $84.0 million donation from the U.S. Government.

Unidentified Airplane Detected Over Penal Island

PA2906135891 Panama City EL PANAMA AMERICA in Spanish 28 Jun 91 p 8-A

[Report by Orlando Mendieta]

[Text] For the second time this week, National Police authorities in charge of security at Coiba Penal Island have reported that a plane was detected flying over the island during the early hours of 27 June with no lights or identifying marks.

Captain Elias Aguilar reports that the plane made a low-level pass over penal installations and indicated that it repeatedly flew over campsites at Playa Blanca, El Maria, and San Juan, where a great number of drug traffickers are concentrated.

The aircraft headed toward the coastline of Coibita Island and the Gulf of Montijo, then set a course toward the Colombian coast.

In the wake of this episode, the police on Coiba Island have taken steps to prevent a massive escape of inmates from the penitentiary.

Before the 27 June flight, police authorities had reported another similar event in the early hours of 24 June and, therefore, have not ruled out the possibility that Colombian drug traffickers are planning to free their companions who have been imprisoned in Panama.

In Panama City, on 20 June, a speed boat strafed prison guards at the Flamenco jail with machine gun fire, while alleged cartel members tried to free two dangerous Colombian drug traffickers.

The jail guards, however, answered the shots and prevented the inmates from escaping. Nevertheless, there is great stress among the members of the National Police due to these incidents, as they could become the target of possible attacks by drug traffickers.

Paper Reportedly Closed Due To Official Threats

PA0207015991 Panama City LA CRONICA in Spanish 26 Jun-3 Jul 91 p4

[Text] Due to repeated and serious threats from ranking officials and other people who are close to the current administration, publisher Luis Estribi has been compelled to shut down EL DIARIO INDEPENDIENTE because of fears that he might be arrested or physically molested.

One of the most recent threats against Estribi came from legislator Arturo Vallarino, who wanted to know the name of a person who placed an ad in the paper. He obviously plans to sue Estribi if the latter does not comply with his request.

[EL DIARIO INDEPENDIENTE in Spanish on 14 June on page 7 publishes a report linking legislator Vallarino to a company named Juliano Internacional "which continues to rob and cheat the national treasury." An unsigned cartoon that accompanies the story bears the abbreviation AV., which identifies it a paid ad.

LA ESTRELLA DE PANAMA in Spanish on 29 June on page B-8 carries a report noting that EL DIARIO INDEPENDIENTE is currently "under intense poliitical pressure" and announcing that on 1 July Mr. Estribi will begin a radio show over Panama City Radio America.]

New Legislators Challenge Established Leadership

PA2906042491 Panama City LA PRENSA in Spanish 27 Jun 91 p 2A

[Article by Manuel Alvarez Cedeno: "Government Legislators Seek Change in the Assembly"]

[Text] A group of government legislators called the "ninjas," who seek a change in the Legislative Assembly to give it a "face-lift," are trying to displace the so-called "herons" [reference to the Presidential Palace of the Herons] from the leadership of the Legislative Assembly. Led by Authentic Liberal Party [PLA] Legislator Arnulfo Escalona, the herons answer to President Guillermo Endara, a source close to the situation confirmed to LA PRENSA on 26 June.

The source, who asked to remain anonymous, explained that the struggle for the position of Legislative Assembly president in the next period of sessions is intense.

Representatives of the "ninjas," who are led by PLA Legislator Marco Ameglio and Molirena [National Liberal Republican Movement] Legislators Olimpo Saez and Roberto Garibaldo, held a meeting with President Endara on 26 June to tell him that among the government legislators there is great opposition to Arnulfo Escalona's aspirations to become president of the Assembly.

After closely listening to them, Endara told them that he knew that the Molirena legislators "do not like" Escalona. To this, the "ninjas" replied that neither do the PLA legislators, which seemed to surprise Endara, who said: "What?...I did not know," the source reported.

The "herons," led by Escalona, who is backed by Arnulfists Lucas Zarak and Francisco Artola and Molirena's Leo Gonzalez, are making contacts to promote Escalona's election as president of the Legislative Assembly, whose new period of sessions begins on 1 September.

So far, the strongest candidate among the "ninjas" is Ameglio, although Molirena's Gisela Chung is mentioned, but with fewer possibilities. Among the "herons," the strongest candidate is Escalona, with Zarak seeking the vice presidency. As for the PDC [Christian Democratic Party], Alfredo Ehlers, Keith

Holder, and Jose Tores are mentioned, but the situation is still not clear within the "green star" [PDC party symbol].

The source said that Escalona, who is currently first vice president of the Assembly, will reportedly take advantage of Assembly President Alonso Fernandez' trip to Washington during the recess that begins on 1 July to consolidate his aspirations, using $200,000 in legislative funds to grant contracts for professional services to friends of the legislators who promise to vote for him.

Considered a rebel group, the "ninjas" describe themselves as young politicians who are seeking a new and different alternative among the parties that make up the Assembly.

They want to change the old liberal guard in the legislative branch and they describe Escalona and the other "herons" as traditional politicians who think the country is still living in the 1950's, the source added.

To achieve the changes they want, the "ninjas" know they have to reach an agreement with the PDC, which was expelled from the government coalition by Endara. However, they are using much tact to deal with the Christian Democrats because the PDC legislators are considered to be too "arrogant and intransigent."

The "ninjas" also maintain a cautious attitude toward the Presidency of the Republic because, although they want a change in the Assembly, for the time being they do not want a falling out with Endara, who has yet to give them his approval.

The legislative source said the "ninjas" hope that they will be able to obtain the PDC's support to give the Assembly a "face-lift," because they do not want to join up with the opposition PRD [Democratic Revolutionary Party], which, according to the source, supports Escalona. The "ninjas" do not want to join forces with the PRD because it always wants something in exchange.

The candidates to Legislative Assembly president need 34 out of 67 votes to win, but neither the "ninjas," the "herons," nor the PDC have those votes on their own. Therefore, negotiations will have to be held.

Legislator Alberto Cigarruista of Molirena, who recently blamed journalists for the country's political crisis, supports the "herons" because, as he himself has said, he cannot betray Escalona, his "sponsor," the legislative source said.

Industrialists Challenge Ford Economic Plan

PA2906035091 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Jun 91 pp 1, A-2

["Press communique" issued by the Association of Panamanian Industrialists in Panama City on 25 June]

[Text] The comments made yesterday by Second Vice President Guillermo Ford, who was apparently acting as spokesman for the national government and whose statements were repeated as in a choir by the president of the Chamber of Commerce, Industries, and Agriculture of Panama, are an example of Ford's lack of political maturity, which is a characteristic of many officials in the current administration, if in fact they share the views of Vice President Ford. To a large extent, this situation has led to the many demonstrations that are well known by all and that increase in number every day. It seems that government officials, and especially Ford himself, are living in a very personal and fictitious country, where they think they are loved by everyone because they are perfect beings carrying the truth in their hands.

It is amazing that after sending Ford clear messages on the position of the industrial sector, he is stubbornly insisting that there have been nine months of silence and what the Association of Panamanian Industrialists is now doing is a sign of desperation. The planning and economic policy minister should have his office files full of reports, communiques, faxes, and letters in which he is being told over and over again that the modernization program is not in keeping with the national reality, and certainly not the result of a serious diagnostic of the country's situation. This last step was necessary to produce a "plan" that could resolve the serious problems that are faced by all Panamanians, who see with great disappointment that their hopes of living in peace and prosperity are falling apart.

In addition, we cannot make intelligent comments about a program that suffered important changes during Ford's latest trip to Washington, changes which he later notified us of as if they were accepted by him at the last minute. Perhaps it would be advisable for Ford to admit to himself and to others that the things he has accepted are not the things that are advisable for us, but the things that are necessary to obtain credit. He would also have to accept that, in his desperation to receive credit, this government is different from previous governments only in the sense that it has accepted worse conditions.

It is also strange that after Ford's own plan suggests the need to reach agreements with workers, he is now angered by the release of a joint communique that lays the groundwork to identify and attempt to resolve, at a private level, what the government does not take care of at the official level.

Yesterday's statements are a true show of desperation, and those who are desperate are Planning Minister Ford and his choir. Perhaps it would be advisable for them to meditate a little over the statements they are making, in which they reveal that it is they who believe workers and businessmen have irreconcilable interests.

Planning Minister Ford says his plan has taken off and those who did not board the train are bound to be left behind at the station. The truth is that we would be better off looking for another train that is not as bound to be derailed. [signed] Association of Panamanian Industrialists [dated] 25 June 1991

Argentina

Defense Minister Says Argentina U.S. 'Ally'

PY0107161291 Buenos Aires TELAM in Spanish 1506 GMT 1 Jul 91

[Text] Buenos Aires, 1 Jul (TELAM)—On 1 July Argentine Defense Minister Antonio Erman Gonzalez said: "Argentina is an ally of the United States in the Southern Cone," adding that the U.S. Department of State was "satisfied" following the decision to deactivate the Condor-2 missile and "reuse" it for peaceful research.

The defense minister stated: "There is an atmosphere of mutual friendship and cooperation," adding that "the United State has appreciated Argentina's attitude on state reform."

Gonzalez made these remarks at the Ministro Pistarini International Airport in Ezeiza upon his return from the United States where he met with Pentagon, Department of Defense, and World Bank officials.

Menem, Malaysia's Mahathir Sign Trade Agreement

BK0207093891 Kuala Lumpur Voice of Malaysia in English 0800 GMT 2 Jul 91

[Text] The signing of an agreement on trade and scientific and technical cooperation between Malaysia and Argentina augurs well for the cooperation among the Group of 15 countries. In fact, this serves as an example that South-South cooperation can work well. Prime Minister Datuk Sri Dr. Mahathir Mohamed said this during his current visit to Argentina.

The signing was witnessed by Datuk Sri Dr. Mahathir and Argentinian President Carlos Menem. The prime minister said both governments had provided the environment and conditions conducive to development. It is for the private sector of both countries to get the business moving.

UAE Officers Interested in Military Material

PY0207011791 Buenos Aires TELAM in Spanish 1521 GMT 29 Jun 91

[Text] Buenos Aires, 29 Jun (TELAM)—Brigadier Sayf Sultan al-'Aryani and Lieutenant Colonel 'Abdallah Salih Mutawwa' from the United Arab Emirates [UAE] today began negotiating the purchase of Argentine-made war material and other military goods.

This information was provided by a Defense Ministry source who revealed that the visitors, who are in our country as official guests, toured the Argentine Medium Tank Inc (Tamse) factory in the Boulogne district of Buenos Aires, and that next week, they will tour the Naval Shipyards and Factories in Rio Santiago and the Military Aircraft Factory in Cordoba.

After touring the Tamse facilities, the illustrious visitors asked about the possibility of acquiring 80 Argentine medium-sized tanks.

The UAE authorities became interested in the Argentine tank after the Armed Forces of that country successfully tested some units two years ago.

The Arab military officers are planning to attend next week a demonstration of the Argentine tank by the Armored Brigade of Argentine Tanks located in the Magdelena District of Buenos Aires.

They will then visit the shipyards in Rio Santiago, the military aircraft factory in Cordoba where the Pampa plane is manufactured, and finally the arms manufacturing plants in Domingo Matheu and Rio Tercero.

Government Deplores 'Tragic Events' in Yugoslavia

PY2906011891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2256 GMT 28 Jun 91

[Text] Buenos Aires, 28 Jun (NA)—The Argentine Government has deplored "the tragic events that have brought grief upon the Federal Republic of Yugoslavia" and has called on all parties involved in the conflict "to refrain from violence."

In a communique released today by the Foreign Ministry, the Argentine Government expressed its desire for the parties involved "to make their best effort to find peaceful, concerted solutions that will guarantee democratic political structures and human rights."

The communique also emphasized the need "to preserve and strengthen the process of relaxation, peace, and unity throughout Europe."

Touching on the crisis that has erupted in Yugoslavia following the decision by the Republics of Slovenia and Croatia to separate from the Federal Republic, the communique noted the "ties of friendship and solidarity existing between the peoples of Yugoslavia and Argentina."

Peso To Replace Austral on 1 Jan 92 Confirmed

PY2906160091 28 Buenos Aires LA PRENSA in Spanish 28 Jun 91 p 1

[Text] Last night during a television program, Economy Minister Domingo Cavallo confirmed that on 1 January 1992 the new peso will replace the austral as the national currency. This date, together with 1 April, had been cited as one of the probable dates. This decision implies the formalization of the exchange rate of 10,000 australes per $1.

Thus, the continuity of the current economic policy has now been verified, because it maintains the value of the peso with respect to the dollar. The economy minister also confirmed that the 1992 budget will be expressed in new pesos.

Bolivia

Further on DEA, Umopar Antinarcotics Operation

Operation Detailed

PY0107182991 Madrid EFE in Spanish 2120 GMT 30 Jun 91

[Report by Agustin de Gracia]

[Text] Santa Ana, 30 Jun (EFE)—Bolivian antinarcotics forces today, Sunday, ended the most intense antidrug operation ever. In just three days, they placed Santa Ana region—Bolivia's most important cocaine production center—under police control.

The operation was named "Safe Shelter." It was staged by 640 policemen, Air Force and Navy officers, and a dozen U.S. Drug Enforcement Agency agents in the northern village of Santa Ana and in nearby ranches.

Antinarcotics sources have reported that Santa Ana was taken over during the operation. This area is considered a place of vacation for the main Bolivian drug trafficking "chiefs." During the operation, approximately 25 percent of the light planes used for transporting cocaine were confiscated.

Special Antinarcotics Force (FELCN) agents searched the houses of the most prominent drug traffickers, like ex-lieutenant Edwin Guzman, Hugo and Felipe Rivero Villavicencio, and Oscar Roca Suarez. Their hangars at the Santa Ana airport were also searched.

The officers who coordinated the operation have told EFE that 27 light planes were confiscated. He added that with these 27, plus the 17 that were confiscated during the first two phases of the offensive in March, Bolivian drug traffickers have lost 25 percent of their planes.

These operations, and the taking control of Santa Ana airport where spares for light planes were found, have been instrumental in dismantling the most important cocaine transportation network.

A DEA official, who closely followed the operation, said that "traffickers used Santa Ana for their drug trafficking operations with total impunity, never fearing that they could be captured or harassed." None of the trafficking "chiefs", who occasionally visit Santa Ana, was arrested during the operation.

Before the operation began on 28 June, security agencies knew that none of the most powerful traffickers, like Hugo Rivero Villavicencio, was in Santa Ana.

The only clandestine laboratory that was destroyed during this operation produced ether, a chemical used for refining cocaine. The laboratory was in the district of San Jose, a 45-minute flight from Santa Ana by light plane.

EFE visited the laboratory, which was later destroyed, and saw that the traffickers were building a section for refining cocaine, but the materials were not found because laboratory personnel fled upon hearing the approaching helicopters. [sentence as received]

Antinarcotics force chief Colonel Rogelio Vargas said that a national police detachment will be stationed in Santa Ana, with FELCN support, to keep the region under control.

Vargas told EFE that most of the troops today began to return to their bases. He added that the antinarcotics policemen, who will be stationed in the area, will patrol rural areas and search neighboring areas for drug traffickers and clandestine laboratories.

The 15,000 or so inhabitants of the town, who live off drug trafficking, were hostile to the antinarcotics forces, especially after learning about the abuses that the agents committed in some houses of the drug "barons."

In the luxurious residence owned by Rafael "Ico" Rivero Villavicencio, for example, policemen broke television sets, mirrors, and stereos among other acts of destruction.

A maid told EFE that the owner had not been to the house for a month.

During the operation there was no armed resistance, but two people were injured by shrapnel from grenades that were tossed to disband demonstrators who protested the police takeover of Oscar Roca Suarez' house.

Commentary Criticizes Operation

PY0107214191 La Paz Radio Fides Network in Spanish 1100 GMT 1 Jul 91

[Unattributed station commentary]

[Text] The antinarcotics operation conducted by U.S. and Bolivian troops under the guidance of the U.S. DEA in the town of Santa Ana de Yacuma early on the morning of 28 June was a clear example of what is happening in the struggle against the crime of producing cocaine in Bolivia. The antinarcotics struggle in Bolivia is headed by the DEA. The special Bolivian force for the control of drug trafficking serves only U.S. interests. The Umopar [Mobile Units for Rural Areas] is not at the service of Bolivia, it is at the service of the United States.

The absolute failure of the operation at Santa Ana shows that the DEA is also at the service of the drug traffickers. Some DEA agents are perhaps double agents who work for the government in Washington and also for the international drug traffickers.

We find it suspicious that in spite of the large numbers of helicopter-born military personnel and civilians that were deployed, this spectacular operation ended as a grotesque failure. Those participating in the operation expected military resistance, but they did not fire one

single shot. The operation sought to capture the most important traffickers of the region, yet only third-level suspects were arrested.

The Bolivian Government, poorly informed as usual about this type of antinarcotics operation, granted a brief and laconic news conference on 28 June, when it released a three-point communique on the issue. The third point of the communique was proven to be false within a few hours of its release to the press. Our government has no authority over the antinarcotics struggle and, in our opinion, is mistaken in its position in this struggle.

Our government should put the DEA agents in their place. We need them, and of this we are sure , but we do not need them to order us around, while we merely obey them [passage indistinct] satellites. The DEA (?makes us dance) while the international press shows the world an image of Bolivia entirely in the hands of drug traffickers. Obviously, this is not true yet. The DEA is tarnishing our image before international opinion which in turn is hampering private foreign investment in our country. This situation will continue until the Bolivian Government takes the reins in the antinarcotics struggle and puts honest people—who still exist in Bolivia—at the head of the struggle to make it effective and transparent, and thus show that Bolivians can control both Bolivian and foreign drug traffickers that operate in our country.

[Passage indistinct] of Umopar, the DEA attitude makes everyone believe that all Bolivians are drug traffickers. We cannot tolerate this type of attitude that [words indistinct] the Bolivians. The Bolivian Government should face the scandalous failure of the Santa Ana operation and make intelligent and patriotic conclusions. We will not tolerate the tricks of the DEA agents or allow them to invade our towns and villages as if we were foreigners in our own country. This is tantamount to admitting that we Bolivians cannot organize our own country.

We agree with the decision to cooperate with the United States in the antinarcotics struggle, but we do not agree with the implementation of U.S. plans in our own country or to the idea of being ridiculed and losing our reputation in the eyes of the world.

We are a dignified nation which has always fought against the enslavement of our fellow citizens. We have always fought against being enslaved by the United States and by drug traffickers. We repeat, with patriotic devotion and with hand on heart, that we would rather die than live like slaves.

Locals Want DEA Agents Out

PY0107222791 La Paz PRESENCIA in Spanish 25 Jun 91 Second Section p 5

[Text] Trinidad, 24 Jun—The people from Trinidad today supported the Beni Departmental Civic Committee's request that DEA agents leave the hotel where they are staying and where they have their operations base on the grounds of presumed acts of arrogance and immorality.

In a poll carried out by Radio Tropico, officials, leaders, and townspeople have said that the civic committee's request coincides with the general feeling against the U.S. agents who are staying at the Ganadero Hotel in downtown Trinidad. They rent two floors of the hotel and have installed metal protective bars that allow access only to authorized personnel.

Radio Tropico announced that the prefect has said that he is not aware of any concrete accusation, adding that many people have reported abuses and actions that should be punished by the local authorities.

Trinidad Mayor Enrique Banzer Bello said that he agrees with the civic committee's request because "it is a shame that access to the best hotel in town should be restricted by metal bars. The local people want visitors take with them a good impression of the region."

Fernando Satori, vice president of the Livestock Grazing Federation, also supports what was expressed over the weekend and criticized the methods employed by Umopar [Mobile Units for Rural Areas] and the DEA in their antinarcotics operations. He said: "They treat us as if we were all drug traffickers, and that is not correct." He was unable to get to the airport a week ago when "Operation Narcotest" was being conducted in the town.

Several people consulted by Radio Tropico have given similar opinions. One of them said that DEA agents must leave Bolivia, because they are despised by the people.

Reportage on Approval of Electoral Reform Law

Approved Without Modifications

PY2906172291 La Paz PRESENCIA in Spanish 21 Jun 91 p 7

[Text] On 20 June, the Senate approved the Electoral Reform Law without making any modifications to the bill that had been approved by the Chamber of Deputies.

The 251 articles and nine transitory articles were approved without any modifications. The Patriotic Accord (MIR-ADN) [Movement of the Revolutionary Left-Nationalist Democratic Action], the executive secretariat of the MNR [Nationalist Revolutionary Movement], and Condepa [Conscience of the Fatherland] instructed their respective blocs not to object or propose amendments thereby to speed up the approval of the law.

The senators obeyed the instructions without any major problems, and they steamrolled over the position of the members of the Constitutional Justice, and Judicial Police Committee, who recommended several amendments to the draft approved by the Chamber of Deputies.

The Electoral Reform Law contains substantial changes, such as the respect for the vote. The polling booth results will be valid and definitive for the final count.

The election of the members of the departmental and national [Electoral] Courts by the vote of two thirds of the total members of Congress and the control that has been introduced regarding the dissemination of political propaganda through the media are also significant amendments.

Both the opposition and ruling parties represented in Congress have termed positive the approval of the new electoral legislation.

Juan Carlos Duran, MIR executive secretary, has stated that although the law is not perfect, it is a significant advance, because it responds to the needs to defend the vote and to perfect the democratic system.

The executive branch will sign the bill into law next week. The new legal instrument will rule the municipal elections to be held on the first Sunday in December 1991.

A brief Congressional recess was declared after the two chambers approved the bill.

The recess will allow the five political parties represented in Congress to speed up the negotiations to elect the members of the Electoral Courts.

The two-thirds vote needed to elect the members of the courts will undoubtedly provoke heated debate in Congress, which plans to resume activities next week.

Reportedly Violates Liberties

PY2906173891 La Paz EL DIARIO in Spanish 22 Jun 91 p 1

[Unattributed report: "Congress Acts Against Freedom of the Press"]

[Text] The Bolivian Congress has approved the Electoral Law, thus violating the freedom of press by implementing a series of regulations modifying the basic tool of the Bolivian democratic system.

According to important Bolivian sectors, by restricting the dissemination of political messages and imposing other measures, the government is trying to curtail restrain liberties. This decision clearly contradicts the principles the government constantly advocates.

The Electoral Law's Article 102 states: "Election propaganda for each political party will be limited to no more than four pages per week in national and departmental newspapers; to 10 minutes per day on each national, departmental, or local television channels; and 15 minutes per day on each national, departmental, and local radio stations."

Moreover, Article 106 states that the various sectors of the media are required to register their fees at the Departmental Electoral Courts. The fees should not be higher than those charged for publicity before the elections.

Registration of fees should be made immediately after elections are called, and they should remain unchanged until 10 days after the elections.

The National Electoral Court will determine the appropriate penalties if this law is violated." [no opening quotation mark as published]

Consolidates Democracy

PY2906180091 La Paz PRESENCIA in Spanish 13 Jun 91 p 3

[Editorial: "The New Electoral Law"]

[Text] After an arduous 10-hour session, the Chamber of Deputies has approved the new electoral law as was promised at the end of the 1989 general elections. This new electoral law seeks to safeguard the transparency of elections and the will of voters. As is well known, this was not the case in the 1989 elections which were characterized by political manipulation that greatly annoyed all citizens.

The new electoral law includes 250 [number as published] articles. Although the constitution was only partially amended, it can be said that every effort was made to do as much as possible and only fundamental issues were left pending for when the constitutional reform takes place. Votes cast in voting stations will be respected, and the court will be unable to contest the vote count record issued by voting stations. Therefore, the possibility of the much dreaded fraud has been reduced to a minimum. This is of utmost importance because the chances of low citizen participation in elections have increased thus undermining the representativity of elected candidates.

Another important amendment concerns the number of officials appointed to the electoral courts, which will have five members instead of seven. From now on, they will be elected by a two-thirds vote of all legislators and not by a simple majority. Political party militants may still be elected to the electoral courts but this is a very controversial issue within the MNR [Nationalist Revolutionary Movement].

It must also be noted that amendments were made to guarantee the proportional participation of minority groups through the D'Hont system which does not allow for any misinterpretations. The double quota system established in the previous law was the cause of serious irregularities and disagreements that distressed those involved in the previous elections.

An important issue concerned separate lists. This proposal was not approved because of the opposition of the MNR and the ADN [Nationalist Democratic Action]. The arguments that were raised—illiteracy, alleged

immaturity in exercising this democratic option, and danger of a state of ungovernability—are not valid. This will be shown once citizens are allowed to freely choose deputies and senators and not only a president. Until this is implemented, citizens will be allowed to vote but not to choose. The single list has made legislators the docile subordinates of their party leader, and it has exempted them from exercising their true responsibility to their electors.

Election campaigning has been regulated in such a way so as to control the abusive propaganda display of financially affluent politicians and to make the media more accessible to small parties. This is only fair because in previous elections, while there were endless distortions caused by biased publicity, others were virtually condemned to silence.

The number of deputies assigned to each region is also another issue which demands a careful study. The eagerly awaited 1992 national census will undoubtedly provide specific data to help establish the distribution of legislators.

The Senate must approve the new electoral law on 14 June while an extraordinary session of Congress will promulgate it next week. This will be the crowning of a commitment assumed before the nunciature after numerous marches and countermarches, which were much criticized by society; of hopes raised by the 5 February [political accord signed in 1992 in Congress by government and ADN]; and the serious mistake that resulted from the impeachement of Supreme Court members. Many issues are still pending, but many of the amendments approved on 6 June were unanimously approved, and others were approved by the majority.

Subsecretary Says Coca Growers March 'Disbanded'

PY0107234391 La Paz Radio Fides Network in Spanish 1100 GMT 1 Jul 91

[Telephone interview with Interior Ministry Subsecretary Marco Antonio Oviedo by interviewer identified as "Father Eduardo"—live]

[Text] [Father Eduardo] Good morning Dr. Oviedo. Can you confirm the news we have recently heard that the coca growers' march has been disbanded. The entire country is listening to you.

[Oviedo] Good morning, father. At about 1910 yesterday, [name indistinct] disbanded the coca growers' march that was heading for the city of Cochabamba en route to (?La Paz).

I must point out that the march was disbanded without the authorities having to resort to tear gas and there have been no incidents. Some buses and trucks have yet to be returned to their districts.

At the time it was disbanded, some 300 people were taking part in the march. This proves, without resorting to extremes, that the coca growers are unable to influence the peasants, who did not join the march. Fortunately, the march was disbanded without any problems.

[Father Eduardo] This means that the coca growers did not offer resistance when the march was disbanded and that no one was arrested?

[Oviedo] There was no resistance at all, Father Eduardo. There were no incidents. The decision was made in a cordial atmosphere. Some leaders were arrested for a few minutes in Cochabamba and then released. No one is still under arrest, there are no prisoners, no one has been injured, and no incidents have been reported. [Words indistinct] moments of confusion and leaders were arrested for a few minutes.

[Father Eduardo] One last question: Was the march disbanded by the police or were the Army involved as well?

[Oviedo] It was a joint operation by the Bolivian Armed Forces and the police. To make it absolutely clear, I reiterate that there has been no violence.

[Father Eduardo] Thank you very much for granting this interview so early in the morning, Dr. Oviedo.

Prosecutors Offices Created for Narcotic Crimes

PY2906175091 La Paz PRESENCIA in Spanish 18 Jun 91 Second Section p 3

[Excerpt] Sucre, 17 Jun (PRESENCIA)—The massive and illegal entry of precursors used for cocaine processing has led the attorney general's office to create the prosecutors offices for narcotics-related crimes. These offices will be set up at customs posts on the border with Brazil, Peru, Chile, and Argentina. According to Attorney General Angel Baldivieso Echazu, the smuggling of precursors is the main problem in the antidrug struggle.

The control by the new prosecutors at border checkpoints will help to reduce the current drug production, according to the attorney general's office, whose reorganization was promoted by Baldivieso Echazu.

Most drug trafficking cases reported to the attorney general's office before being submitted to the Supreme Court deal with the clandestine trade in precursors. A cooperation agreement signed last week between the attorney general's office and the U.S. Embassy in Bolivia will make it possible to create eight offices for the prosecutors for narcotics-related crimes. The offices will report directly to the attorney general. [passage omitted]

Brazil

Alleged Coup Against President Collor Aborted

PY2806135491 Asuncion PATRIA in Spanish 28 Jun 91 p 3

[Text] Brasilia, 27 Jun (ANSA) — A local newspaper today published the details of a plan to carry out a

commando action, which was finally aborted, that sought to arrest Brazilian President Fernando Collor de Mello.

The report has been minimized unofficially by high-ranking military leaders who indicated that the president knew of the plan but did not give it much importance.

The newspaper BSB of Brasilia indicated today that the operation was called SACI, and that it involved a combined group of the Armed Forces, including parachutists, who were to have been dropped onto the roof of the presidential residence.

The newspaper adds that one of the higher ranking commandos was to have handed a document to the president explaining their actions, and at the same time they were going to provisionally close Congress.

The document that was published by the newspaper is considered "apocryphal," although military sources today leaked the fact that the plan was conceived because of the concern over the low salaries within the Armed Forces, including what is also termed "the lack of resources to carry out important tasks and missions with which they have been charged."

The newspaper also indicates that the plan also included "an address by a military man to his parachutist colleagues and marines to discuss the operation."

The text states: "Soldiers are being badly fed, they do not have military clothing, and there is a deterioration of vehicular and electronic equipment. The quartermasters department, weapons, health, and engineering sectors cannot be used due to the lack of financial resources."

A high-ranking military source told ANSA that the plan "does not merit comment because it reveals technical and coordination inconsistencies within the operation described that demonstrate a lack of knowledge of military planning and strategy." Thus, the sources have termed the SACI operation as ridiculous.

The plan was to have been put into operation as of 0700 [1000 GMT] on 12 June. President Collor was informed about it and once the situation had been defused, he decided to abstain from commenting.

It has also been learned that some of the military men who outlined the plan have been transferred to other posts.

The rebels were going to try and control key points in Brasilia, like the main hospital and the official residence, La Alvorada, even though the president does not use it.

Tuma Denies Accusing Cuba of Guerrilla Training

PY3006034691 Rio de Janeiro O GLOBO in Portuguese 29 Jun 91 p 7

[Text] An unusual apology by Federal Police Director Romeu Tuma has ended a political incident between Brazil and Cuba that he had stirred up. Following orders from the justice and foreign ministers, Romeu Tuma went to the Cuban Embassy in Brasilia yesterday to ratify what he told the CPI [Congressional Investigating Committee] investigating violence in the country with regard to rural guerrilla training courses that Brazilian peasants have been receiving in Cuba. Itamaraty issued a declaration denying Cuba's involvement with the Landless Workers Movement.

The Cuban Embassy complained to the Brazilian Government about Romeu Tuma's statement and yesterday, after diplomatic negotiations, the chief of police visited Cuban Ambassador Jorge Bolanos. According to Itamaraty, Tuma "had a cordial meeting with the Cuban ambassador during which the statement attributed to Tuma was fully clarified."

Tuma said yesterday that the CPI had misunderstood him. He denied asserting that members of the Landless Workers Movement are training in Cuba in order to be able to coordinate guerrilla actions in Maraba and Bico do Papagaio. According to Tuma, what he told the CPI was that three of the seven people arrested in Maraba (Para State) had attended courses on farming techniques in Cuba. He explained that the deputies and journalists had understood "guerrilla techniques."

Justice Minister Jarbas Passarinho reportedly also misunderstood Tuma. On 26 June, the day after Tuma appeared before the CPI, Passarinho said that he had received a Federal Police report accusing Cuba of teaching guerrilla techniques to Brazilians. Minister Passarinho is now awaiting Romeu Tuma's explanations.

First Installment Paid on Foreign Debt Interest

PY0207021491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 1 Jul 91

[Text] Today, Brazil paid international creditors the first installment on its overdue foreign debt interest, a payment of $886 million. According to the agreement signed between Brazil and the committee of creditor banks, the payment had to be made within 10 days of the Senate's approval.

Ambassador Jorio Dauster, one of the foreign debt negotiators, has said that the overdue interest totals $7.9 billion and that Brazil will have to pay an additional $500 million in interest on the overdue interest payments.

Brazil has to pay a total of $1.1 billion in equal monthly installments by the end of the year. The rest will be paid in bonds that will be issued to the banks after the term sheet of the agreement for medium- and long-term debts is signed.

President Collor Rules Out Economic Changes

PY0207023891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Jul 91

[Passages within quotation marks recorded]

[Text] President Fernando Collor has guaranteed that the government is not preparing any economic changes and has ruled out the possibility of implementing a new economic package. In an interview held on 30 June at Casa da Dinda [the presidential residence] in Brasilia, the president also confirmed that cruzados will be released in September as scheduled.

The president praised the political coordination efforts by Justice Minister Jarbas Passarinho and the leaders who support the government in Congress.

Regarding the defeat of Provisional Measure 296, President Collor said the government will today begin to review the legislative decree on salary adjustments for public servants. The goal is to resolve the problem of July salaries because the decree only guarantees salary increases for May and June.

Here is a report by Luiz Augusto Mendonca:

[Mendonca] Collor also discussed the salary adjustment for public servants and the defeat of Provisional Measure 296. He praised the political coordination effort by Minister Jarbas Passarinho and the government leaders in Congress, emphasizing that he will not resort to ideological strategies to get his proposals approved in Congress.

President Collor began the interview by talking about an item published in the newspaper JORNAL DO BRASIL on 30 June on the discontent among military men over salaries.

[Collor] "Well, the information I have on the Armed Forces is given to me by the military ministers and the chief of the Armed Forces General Staff.

"Of course, the country's situation—the situation the country is experiencing—is very difficult. This situation requires sacrifices by the entire Brazilian society. The Armed Forces, of course, are also suffering from this process, which will undoubtedly—within one or two months—take us to a phase of economic growth and prosperity. Currently, however, the situation is difficult.

"The information which I have received from the military ministers and the chief of Armed Forces General Staff is that the three branches are absolutely loyal to the principles of discipline and chain of command, fundamental (?principles) that the Armed Forces have always followed and continue to follow."

President Collor also condemned ideological strategies to secure congressional approval for government proposals.

[Collor] "I actually want to form a support system in which the binding factor between that [word indistinct] and the government will be ideal, a binding factor encompassing a combination of those factors and the public spirit, an ideal national interest. That is what I am trying to build. This is what I am trying to do. Of course, there are many difficulties."

President Fernando Collor also commented on the provisions of Provisional Measure 297 which involves, among other things, tax collection.

[Collor, in progress] "...as there have been many difficulties concerning the [word indistinct] issue, concerning its (?implementation). Nevertheless, we have calmed all those who (?must pay) their income taxes, eliminating the chance that they would not pay their taxes as they had in the past. This was a measure that calmed everyone down, wasn't it? It eliminated any possibility of there being constitutional questions on the issue.

"Of course, this has caused a decrease in tax collections. We cannot afford a decrease in collections, so we must make up some of that difference. Advanced payments on that tax [words indistinct] are reducing the collection of those taxes. Regarding the issue of tax payments, this is still another way to get it done. We are allowing them to use the impounded new cruzados to pay these taxes."

Former Minister Appointed President of Embraer

PY0107024291 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 27 Jun 91

[Text] It has just been confirmed that former Infrastructure Minister Ozires Silva is rejoining the government. He has been appointed president of Embraer [Brazilian Aeronautics Company], the company he created and, according to the government, turned into a model state company. Ozires Silva is entrusted with the mission of again making Embraer a model state company.

Death Squad Killings in Rio de Janeiro Detailed

PY3006022691 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jun 91 Section One p 11

[From the Rio de Janeiro Bureau]

[Excerpt] At least six out of every 100 people killed by death squads in the municipalities of Baixada Fluminense (in the Rio de Janeiro metropolitan area) are children or teenagers. Death squads killed 1,230 people in this region between December 1990 and May 1991. Of this total, 78 victims (6.3 percent) were teenagers or children.

This data is contained in a dossier on killings in Rio de Janeiro State that Health Minister Alceni Guerra received on 24 June from Nilo Batista, acting Rio de Janeiro governor and Rio de Janeiro justice and civil police secretary.

Portions of this document, to which FOLHA DE SAO PAULO gained exclusive access, report a decline in the number of death squad victims in April (186) and May (167) 1991 in comparison with the statistics for December 1990 (215) and January (197), February (227), and March (238) 1991.

A decline in the killing of minors was also confirmed after the period between December 1990 and May 1991

was divided in two. Out of a total of 639 killings, 41 minors were killed by the end of February. Out of a total of 591 killings, 37 minors were killed between March and May.

According to civil police, the total of 167 killings reported in May in Baixada Fluminense is lower than any of the monthly totals reported in 1990.

Rio de Janeiro civil police believe the decline in killings can be attributed to the fact that 12 death squads have already been identified in the region. Most of the leaders of these death squads have either been arrested or an arrest warrant has been issued for them. [passage omitted]

Chile

Government Declaration on U.S. Reduction of Debt

PY2906122091 Santiago Radio Chilena Network in Spanish 1700 GMT 28 Jun 91

[Report from Government Palace by Nelson Oteiza]

[Text] The government has stated that the agreement to reduce the Chilean foreign debt with the United States and the $150-million loan granted by the IDB [Inter-American Development Bank] to Chile recognizes the excellent level reached by the Chilean economy.

This was stated by the executive branch through a public declaration read at La Moneda Palace by Enrique Correa, minister secretary general of the government.

[Begin Correa recording] The two agreements are helpful to Chile because they will allow an increase in resources for social expenditures; will back the small and medium enterprises, thus expanding the Chilean exports sector; and will also contribute to encouraging investment.

It should be pointed out that Chile is the first country to sign such an agreement within the framework of the Americas Initiative, which entails a recognition of the excellent level reached by the national economy. [end recording]

Correa then explained that the IDB loan will be used mainly to develop small and medium enterprises in Chile.

Finance Minister Praises U.S.

PY2806133491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 28 Jun 91

[Text] Chile is the first country to have its official debt with the United States reduced through the Americas Initiative, just one year after U.S. President George Bush announced the plan.

Chilean Finance Minister Alejandro Foxley and his U.S. counterpart Nicholas Brady have signed at the White House, an agreement through which Chile's $39 million debt with the United States is reduced by 40 percent.

The ceremony was also attended by President George Bush. It marked the first anniversary of the Americas Initiative, which is designed to create a free-trade zone from Alaska to Tierra del Fuego, to reduce the official debt, and to promote investments in Latin America.

The Inter-American Development Bank, also within the framework of the Americas Initiative, has granted Chile a $150 million loan, which will be used to reform the Chilean investments system.

Foxley stated in Washington that the agreement is highly symbolic, adding that it recognizes the efforts being made by President Patricio Aylwin's government to modernize the Chilean economy and open its market.

Chile's official debt with the United States amounts to some $470 million.

During a news conference held at the Chilean Embassy in Washington, Minister Foxley said that Chile has a modern and open economy that does not fear fair competition from the most modern economies in the world.

Foxley asserted that the Chilean Government will use all the money retrieved through this reduction to finance social programs designed to improve the living standards of the most needy sectors.

The finance minister said that Chile is willing to start negotiations with the United States as soon as possible, seeking to sign a free-trade agreement like the one currently being discussed between the United States and Mexico.

Foxley voiced his hopes that the two governments will start negotiations next November.

Economy Minister Delivers Invitation to Gorbachev

PY2806142491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 28 Jun 91

[Text] President Patricio Aylwin has invited USSR President Mikhail Gorbachev to visit Chile at a date yet to be arranged by the two governments.

The invitation is included in a personal letter President Aylwin addressed to Gorbachev, which was delivered yesterday by Chilean Economy Minister Carlos Ominami to USSR Vice President Gennadiy Yanayev at the Kremlin. Ominami held an approximately one-hour frank meeting with Yanayev before leaving for Leningrad.

Ominami is the first Chilean minister to visit the Soviet Union in 19 years and the visit follows the restoration of diplomatic relations between the two countries.

The Chilean minister said that President Aylwin's letter reiterates the desire to maintain cordial relations with the USSR and expresses the Chilean Government's

admiration for the economic and political efforts that Mikhail Gorbachev is making.

Returns From USSR Visit

PY3006025491 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 30 Jun 91

[Excerpts] Economy Minister Carlos Ominami, who arrived in Santiago today after a six-day visit to the USSR, has invited USSR President Mikhail Gorbachev to visit Chile soon. [passage omitted]

[Begin recording] [Reporter Patricia Espejo] What were the results of this visit?

[Ominami] I would say it has been a very positive visit. We came for various reasons. On one hand, we wanted to establish contact with USSR authorities. We have been received by very high-ranking authorities and we have had interviews with the leading politicians, especially with the USSR vice president. [end recording] [passage omitted]

Conditions 'Not Ripe' To Restore Ties to Cuba

PY0107144091 Madrid EFE in Spanish 0010 GMT 1 Jul 91

[Text] Santiago, 30 Jun (EFE)—Chilean Foreign Minister Enrique Silva Cimma said Sunday, 30 June, that "no decision has yet been made" on the reestablishment of diplomatic relations with Cuba. He added that conditions are not ripe for making such a decision.

In an interview published today by a local morning newspaper, the foreign minister said that Chilean foreign policy has no ideological barriers, "but it is essentially pragmatic," and relations with Cuba have been considered from that viewpoint.

He noted that diplomatic relations will be reestablished when "we receive guarantees that such relations will be safe for Chilean security."

In statements aired by the Television Nacional de Chile on 27 June, Cuban President Fidel Castro said that relations "should not be begged for," and deplored that bilateral relations were not reestablished with the government of Patricio Aylwin.

Castro recalled that Cuba strongly supported Chile and the opposition to the Chilean military regime, which ruled this country for almost 17 years and that broke relations with the Caribbean island upon seizing power on 11 September 1973.

The Chilean democratic government has stated that relations will be reestablished when it is convinced that Cuba will not intervene in Chilean internal affairs.

Silva Cimma said: "We do not have information that Cuba implicitly continues to support violent groups, but we have no certainty that the Cuban Government has adopted a clear and conclusive position repudiating the extremist groups that operate in Chile."

In the interview, the Chilean foreign minister categorically ruled out that the U.S. Government has influenced the Chilean decision.

"That is absolutely inaccurate, and it would involve the sort of pressure to which neither the Foreign Ministry nor the government of President Aylwin would ever yield," he stressed.

He added that if a decision is made to reestablish relations, implementation will be immediate, and not by stages, as had been rumored.

In connection with Castro's statements to Television Nacional de Chile, several leftist and center-leftist Chilean political organizations demanded the prompt normalization of ties to Havana.

Minister on Labor Relations, Copper Strike

PY2906141091 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 29 Jun 91

[Interview with Labor Minister Rene Cortazar by "24 Hours" anchorman Bernardo de la Maza in Santiago—live]

[Text] [De la Maza] Good evening, Minister.

[Cortazar] Good evening.

[De la Maza] The chance of a strike at Codelco [Copper Corporation] mines in Chuquicamata are increasing by the hour. Do you think it is a responsible attitude for the government to stay on the sidelines of a conflict that might have serious consequences for the country?

[Cortazar] First, I would like to say that we trust that workers and managers will reach an agreement at Chuquicamata. Second, we think that the most responsible position for the resolution of labor conflicts in state enterprises is precisely to let managers and workers negotiate directly with each other.

[De la Maza] I would like to insist. The Chuquicamata company is extraordinarily important for the country. A strike there would have serious repercussions for the nation. Will the government maintain its position of staying on the sidelines; that is, wash its hands of the problem, to say it in a rather strong way?

[Cortazar] Yes, it is too strong. It is not as you say. We have a labor policy. We think that managers and workers of state enterprises must draw up their own agreements. You have to understand that if last year we, as government, returned the right to strike to workers, it was precisely because after a very serious evaluation we realized that it was the most efficient way to obtain results.

[De la Maza] Yes, the government has restored the right of the copper workers to strike. Are you to some extent

sorry about allowing strikes in enterprises that are so strategic, so important for the nation?

[Cortazar] No, we are not sorry. We believe that this policy will ensure the best labor relations in state enterprises. This is the trend in all modern countries. This is the trend we have decided to implement in our country.

[De la Maza] Last year President Aylwin told copper workers that they should not try to be the privileged workers of the country. As a former CUT [United Labor Federation] adviser, do you think that Chuquicamata workers are maintaining an irresponsible position? Is their position correct?

[Cortazar] I do not think it is appropriate to characterize the situation in those terms. I trust that the copper workers and managers will reach an agreement. We will follow the events with a lot of calm. We believe there has been dialogue, that collective bargaining within the legal framework are under way, but no agreement has been reached on all issues yet. We hope pending problems will be solved soon.

[De la Maza] In the last few days some 20,000 workers nationwide have voted on strike measures. The vote included workers at Chuquicamata, the railroads, (Pata) [expansion unknown], and Telex-Chile. In 1991 nearly 250,000 workers will negotiate new contracts. In this framework, what is your opinion on remarks by CUT leaders that the honeymoon with the government is over, that if new solutions do not appear soon conflicts will multiply?

[Cortazar] The levels of social conflict in the country have been extremely low. We lost fewer man-days of work during the first year of the democratic government than during the previous year. Just look at the number of workers who have voted on a strike measure, or the number of workers on strike, because only some 400 workers are on strike in Chile today out of a total work force of more than 4 million. The number of workers who have voted on a strike measure represents 0.3 percent of the workforce. Look at the rest of the world—the developed countries, France, Spain, Italy.

[De la Maza] But the situation could radically change this year.

[Cortazar] We believe that reason prevails in labor relations in the country today. This was seen in the figures. Fewer man-days were lost during the first year of the democratic government than the previous year. I ask you: How many people said, before the beginning of the democratic period, that social demands would increase and the country would be flooded with conflicts if it opened up. That has not happened. After 16 months of this new democracy we can trust workers and managers. We believe reason will prevail, and the country will maintain its social peace.

[De la Maza] Thank you, Mr. Cortazar, for your statements for the "24 Hours" program tonight.

Copper Workers Strike; No Official Intervention

PY0107153491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 1 Jul 91

[Excerpts] Mining activities were stopped at the Chuquicamata copper mine on the first shift at 0500 today because no agreement was reached last night on the union proposal submitted to the executives of Codelco [Copper Corporation]. The legal strike affects 7,500 workers who are affiliated to Unions 1 and 2 of the world's largest open pit copper mine.

Observers said that the strike will cause copper prices to increase immediately on the world metal markets. Yesterday afternoon the union leaders held a meeting in a last-ditch effort to reach an agreement to avert the strike but no agreement was reached. After the talks failed, 4,500 union members and their families held a large meeting, and they ratified the strike. After leaving the assembly the workers marched through the Chuquicamata camp carrying signs calling on the company to accept the workers' proposal.

Last night this radio station contacted Omar Tapia, national leader of the Copper Workers Confederation, who explained the workers' position in view of the failure of the negotiations held in the last few hours with Codelco representatives. Tapia talked with reporter Mario Vielma. This is what he said:

[Begin recording] [Vielma] What are the results of the negotiations and will the workers go on strike?

[Tapia] About 4,500 copper workers and their families concluded a large meeting a few minutes ago in the union's auditorium. In view of the report submitted by union leaders the workers rejected any possibility of a settlement and ratified the 26 June strike vote.

[Vielma] Does this mean that mining activities will be stopped?

[Tapia] That is right. We are now forming the different committees because there is no possibility of a settlement. No progress was made during the negotiations; therefore, in accordance with their decision, the workers will start the legal strike on the first shift of the Chuquicamata mine tomorrow, Monday, 1 July.

[Vielma] Why did the the negotiations fail?

[Tapia] The truth is that we submitted our proposal several times. We union leaders cannot accept the settlement of a conflict or a collective agreement without getting any benefits. What this means is that we want a small percentage increase on the basic salary but the company has offered nothing. The workers submitted a proposal to the company requesting a real salary readjustment of 9.95 percent. [passage omitted] [end recording]

Interior Minister Enrique Krauss reiterated that the government will not intervene in the Chuquicamata

miners strike. Krauss said that no one should be surprised to see the workers availing themselves of the current labor laws.

Finance Minister Alejandro Foxley, who just returned from his successful trip to Washington, said that the strike is legal and that the workers have the right to strike. Foxley added that social conflicts exist in any democracy but that in the case of the copper mine the strike will cause serious harm to the national economy. Foxley called on the workers to strengthen democracy with sacrifice.

Soviet Seaman Requests Political Asylum

PY0107035891 Santiago LA TERCERA DE LA HORA in Spanish 25 Jun 91 p 7

[Excerpt] Valparaiso—The Interior Ministry will decide the fate of Soviet seaman Yuri Prorevich, 35, of the factory ship "Ivan Sivko," who surprisingly jumped ship this past weekend.

The information was officially released at noon yesterday by Provincial Governor Luciano Valle Acevedo after a long cabinet meeting chaired by Intendent Juan Andueza Silva. Valle Acevedo said: "This is the case of a factory ship crewman who appeared at Investigation Headquarters and requested political asylum." [passage omitted]

* Security Services Accord Signed With Spain

91SM0349A Santiago EL MERCURIO in Spanish 10 May 91 p C9

[Text] An agreement providing for the assignment to Chile of Spanish advisers on terrorism and narcotics trafficking and of Chilean experts to Spain was signed on 9 May by Belisario Velasco, Chilean under secretary of the interior.

This was reported to EL MERCURIO by Belisario Velasco in a telephone call from Madrid. He emphasized that the signature of the agreement was a part of the process of conversations which Enrique Krauss, minister of the interior, began in his trip to Spain and Italy in March.

Belisario Velasco stated that the conversations continued in April with the visit to Chile of Rafael Vera, Spanish under secretary of state for security, and concluded with the visit to Madrid of the president of Chile.

Velasco stated that "the agreement basically covers the possibility of sending Spanish advisers and provides that the Chilean Service of Customs and Investigations may send personnel to bring them up to date on new equipment."

An unspecified number of Spanish experts will come to Chile in July. At the same time Chilean representatives will go to Madrid.

Asked whether the visits will be part of a program, Under Secretary Velasco pointed out that this is a matter which will be discussed in Santiago with police authorities. He said: "Fortunately, within the law enforcement bodies of both countries there is a group of very professional and highly qualified officers who will have access to the most sophisticated technology in the world."

In this respect it was reported that under a separate agreement the Spanish Ministry of the Interior will make it possible for 14 serving Chilean police officers to attend training courses in Spain.

Velasco stated that provision has also been made for cooperation in providing equipment and related materials. He said that this refers to communications equipment and radar. He explained: "It is intended that the police officers involved in this travel program will be selected by the respective police organizations to determine their equipment needs."

When he was asked what benefit the agreement would have for the recently established Office of Security, Velasco made it clear that a great deal of information has been obtained on the way in which such organizations function in Spain, "because they have the same point of departure as in Chile. They have already covered a great deal of ground. This is going to be very useful to us because in the shortest possible period of time the Office of Security in Santiago will be fully operational."

The under secretary of the interior also recalled his attending the United Nations meeting on narcotics trafficking, which was held in Austria over the past few days. Velasco stated: "Agreements were reached on the fight against narcotics trafficking, the manner of implementing preventive measures, and cooperation with a number of developed countries."

Velasco, who will return to Chile next weekend, held a meeting with Rafael Vera, Spanish under secretary of state for security, on 9 May. At the meeting the participants analyzed the future development of colaboration on security matters between the two countries.

* ENDESA Investments To Total $600 Million

91SM0349B Santiago EL MERCURIO in Spanish 11 May 91 pp B1, B14

[Text] ENDESA [National Electric Company, Inc.] has scheduled development investments in the order of $600 million during the period 1991-95. This was stated by Jaime Bauza, general manager of the company, who referred to the principal ENDESA projects, the hydrological situation during the present season, and future prospects.

In analyzing the investment plan the ENDESA executive said that $130 million have been earmarked for 1991. This total figure will cover the following projects: the costs related to the completion of the work on the hydroelectric stations of Canutillar and Pehuenche, the initial contracts on the construction of the Curillinque

project, as well as the expenditures on engineering and feasibility studies for the Pangue electricity generator, among other matters.

On this occasion Bauza referred to the construction of the Pangue electricity generator, the largest ENDESA investment project over the medium term. In this connection he emphasized that it is hoped to have the loan package ready by the end of 1991.

IDB [Inter-American Development Bank] Financing

Bauza stated that there are several sources of financing for the project, including a direct loan from the International Finance Corporation [IFC] for $55 million. The IFC would also provide 10 percent of the capital of the company operating the generator.

He added that conversations with the IDB have been resumed, following a period of time when they were suspended.

On this occasion Bauza stated that recently an interesting possibility has opened up for assembling the loan package. This concerns a direct loan from the Inter-American Development Bank, to ENDESA of between $50 and $100 million.

He stated that ENDESA has already held several, preliminary meetings with the IDB. He added that "in principle the bank would consider the Pangue project as a good possibility for undertaking this alternative of loaning directly to the private sector." He pointed out that a decision on this matter should be reached in the course of the next few months.

Bauza said that if this proposal is not approved, an alternative which is coming into view is the possibility that the IFC would organize a syndicate of banks to cover the loan mentioned above.

Another part of the financing would be provided by the suppliers of the equipment. This possibility will be clarified once bids are received for the supply of the equipment.

In this sense he emphasized that offers have been received from a number of manufacturers who have proposed the purchase of the equipment with the proceeds of loans which several governments have made to Chile, a matter which is being considered at this time.

Finally, Bauza said that the remaining part of the financing will be handled through the issuance of bonds which will be sold on the domestic, Chilean market.

In passing he emphasized that the financing of the Pangue project should be concluded by the end of 1991, considering the fact that in order to have the generator enter into operation in 1996—as has been planned—the civil engineering work should begin during the first half of 1992.

Energy Situation

On this occasion Bauza stated that in terms of the supply of energy, 1991 will be better than 1990, as a result of the entry into service over the next few months of the Canutillar, Pehuenche, and Alfalfal electricity generators.

He said: "We estimate that, unless extreme conditions should occur, there should not be restrictions on energy consumption in 1991."

Bauza said that it is still premature to make any forecasts, considering that the hydrological year only begins in April or May and in view of the fact that the rains which should occur in June are vital to any prediction.

In any case Bauza stated that at the present time 65 percent of the electricity supply comes from hydroelectric generators and 35 percent, from thermal generators.

It should be pointed out that in 1990 the drought conditions were decisive. As a result, at any given time, 50 percent of the generated electricity came from thermal plants, with consequently higher costs for the electricity companies.

ENDESA Activity

In analyzing the results of the restructuring carried out by ENDESA at the end of 1990 he said that it was rather positive, making it possible to concentrate on achieving for the most part the fundamental objectives of the company. These include the generation and transmission of electricity and the establishment of subsidiary companies such as those in the engineering field. As a result, engineering services could be provided, not only to ENDESA itself but to third parties as well.

In the same way he pointed out that activities related to the generation of electricity and its transmission have been separated, in view of their different nature. He said: "This situation has helped us to keep clearly in mind that, although the electrical transmission system shows profits similar to those provided for by law, the charges in the field of electricity generation are inadequately profitable."

Regarding the financial performance of ENDESA, Bauza said that the verified decline in profits in the first quarter was basically due to a decline of 1.9 billion pesos in income from the sale of electricity, despite the fact that sales grew by 6.1 percent.

He explained that this situation was due to the fact that electricity charges declined by 11.3 percent, compared to the same period of 1990.

At the same time he emphasized that there was an increase in costs as a result of a growth of 23.5 percent in thermal generation of electricity, using petroleum, compared to the same quarter of 1990, which involved increased expenditures of $1.3 billion.

Bauza said that to these factors should be added the fact that there was a decline in the performance of the non operational area as a result of a smaller, monetary correction in the order of 3.3 billion pesos.

He stated: "Without considering the above, we believe that when the Melado Reservoir is completely filled, which will make it possible for the Pehuenche hydroelectric generator to operate, that is going to mean a substantial change in the need for the thermal generators. If meteorological conditions are normal during the last half of 1991, the thermal generators can practically be shut down, with consequent savings in fuel."

Finally and regarding the question of the charges which ENDESA collects for the transmission of electricity from the different generators through the Central Interconnected System, Bauza said that there is a law in effect which regulates this matter.

He said that in this sense Chilgener [Chilean Generating Company] uses this system to supply electricity to the El Indio mine, while there is a problem with Colbun [hydroelectric power plant] in determining the extent of its sales area. This matter has been referred to technical arbitration, which should clear it up in the next few months.

Colombia

President Gaviria on Escobar, Other Issues

PA2806230491 Bogota EL TIEMPO in Spanish 23 Jun 91 p 1B

["Exclusive" interview with President Cesar Gaviria by Luis Canon Moreno and Ricardo Santamaria at the presidential office in Bogota; date not given]

[Text] [EL TIEMPO] What does Pablo Escobar's surrender represent for Colombia and the international community?

[Gaviria] Like the great majority of Colombians, I hope that it will mean the end of the narcoterrorism that has been an especially violent and traumatic era for Colombian society. At the international level, it represents a severe blow to drug trafficking, and of course, it means the dismantling of the so- called Medellin Cartel.

[EL TIEMPO] The DEA [Drug Enforcement Administration], Interpol [International Criminal Police Organization], and other specialized organizations do not share that last view. For them, the cocaine business has not been affected by Escobar's surrender.

[Gaviria] Well, in general, the intelligence and security organizations would have preferred that this would have been a police operation rather than a victory for the policy of submission to justice.

What happens is that there is an attempt to hide the great impact that the dismantling of the Medellin Cartel and drug trafficking have. This is so because of an effect that was to be expected: As long as there is a great demand in the world and as long as it continues to be such a profitable business, new sources of supply will emerge. That is what is occurring.

[EL TIEMPO] Would the Colombian security organizations also have preferred a police operation rather than the surrender?

[Gaviria] It is probable....

[EL TIEMPO] How do you view Pablo Escobar today?

[Gaviria] Undoubtedly as the head of the most powerful and violent criminal organization in the world. A man who has committed many crimes and who has caused much harm to Colombian society.

[EL TIEMPO] You called President Bush after Escobar's surrender. What did you discuss?

[Gaviria] He told me that they were pleased that what had been a great objective of the Colombian Government had finally been achieved.

He said they would view with caution the decisions we have adopted. They hope there will be a fair trial for Escobar so that he will pay for the crimes he has committed here and in the United States. I obviously gave him our assurances that we are going to make every effort to build a case that will truly permit Escobar to pay for all his crimes.

[EL TIEMPO] Some say that after sentencing by the judges, Escobar will serve a maximum of eight years in prison. How do you view this?

[Gaviria] It would not be right for the president of the Republic to tell the judges what sentences should be imposed. My obligation is to try to encourage the state investigative institutions to provide enough facts for a Colombian judge to make a decision. First of all, the judge must be free from intimidation and that judge must obviously be able to appropriately punish Escobar for the crimes that have been committed. He must be punished in an exemplary manner.

[EL TIEMPO] If justice is not applied, do you think the United States will take some measure against Colombia? Will it interfere in the process?

[Gaviria] No. I am really confident that any such interference will not occur. If we Colombians are able to meet the challenge of strengthening our administration of justice in a way that the international community will not see us as a sanctuary for criminals, if we are capable of doing this, then we will obtain full support and solidarity from the international community.

[EL TIEMPO] What if we are incapable of doing this?

[Gaviria] Then we are going to have problems with the international community.

[EL TIEMPO] The DEA now says that the Cali Cartel is handling the business. Will there be a special offensive against that group?

[Gaviria] We apply the same policy equally on all drug traffickers. It is a policy that has been quite successful. Colombia's interdiction efforts this year have more than doubled the efforts last year which, in fact, was a record year. This year we have seized eight tons of cocaine a month, compared to 3.7 tons last year. That policy is equally applied on all the cartels and all drug traffickers.

[EL TIEMPO] Some people say that what the increase in drug confiscations shows is how much the drug-trafficking business has grown in Colombia. Is that true?

[Gaviria] No, the business has declined in Colombia. The emergence of drug trafficking as an issue and the increase of seizures in other Latin American countries clearly show that the business has spread out and that the U.S. and European markets are now being supplied by sources other than Colombia. I think there can be no doubt about the harsh blows dealt on the drug cartels in Colombia. This is what, to some extent, explains that drop in drug trafficking in Colombia and the increase of drug trafficking from other sources and countries.

[EL TIEMPO] In your campaign, you promised to defend the political program of Luis Carlos Galan [assassinated presidential candidate]. Does your strategy against drug traffickers form part of that program?

[Gaviria] I think I would be abusing the name of Luis Carlos Galan if I tried to defend or justify all my policies under his name. However, I am sure that this strategy has produced the result we sought. What counts is that the leaders of the cartel are behind bars.

[EL TIEMPO] The critics of the dialogue with the guerrillas in Caracas say that so far the government has lost. Did the government yield too much by permitting other participants in the dialogue, such as members of the Constituent Assembly and Congress?

[Gaviria] That has positive and negative aspects. The positive aspect is that when two sides sit down at a negotiating table for the first time, the fact that there are elements of moderation and reconciliation might be a positive factor that could prevent the breaking off of negotiations in its initial phases.

Nevertheless, I would say that at some moment, in order for the negotiation to progress and so that the participants can more clearly express their viewpoints, the talks must also be confidential. Speaking before so many participants limits the negotiations. Therefore, at some moment, confidential sessions must be held.

[EL TIEMPO] Is the government willing to accept the bilateral cease-fire proposed by the guerrillas?

[Gaviria] What we are not willing to accept is a cease-fire that is impossible to verify, one in which a few days after being signed there will be all sorts of recriminations about violations by the two sides. If we are going to have a cease-fire, it must be one for which we can vouch, one that someone can verify, one that will bring about a true halt in hostilities, one in which we can prove that no criminal actions are being committed.

[EL TIEMPO] What would be the key to verifying such a cease-fire?

[Gaviria] There must be a number of zones where a cease-fire can be verified. If the plan is to establish a cease-fire in all the areas where the guerrillas operate, that is impossible to verify. In any case, this is the topic of talks because the president cannot make a unilateral decision.

[EL TIEMPO] Does the military support your policy?

[Gaviria] Of course they support my policy. First of all, because the president is the commander in chief of the Armed Forces, and even more basic, because each step that is taken and each decision that is made is consulted with the defense minister and the high-ranking commanders.

[EL TIEMPO] What do you think of your critics who say that during this transition period, in which there is no congress as defined by the Constitution, you have become a dictator?

[Gaviria] I find that criticism a little funny because I doubt anybody will believe it. We are trying to find a transitory solution to the decisions made by the National Constitutent Assembly; namely, the call for elections. I see that the criticism is levied both ways, either because the president is granted powers or because he is not. Of course, I am certain that the immense majority of Colombians do not believe that charge at all. I also believe my past actions are enough to show that I am a democrat through and through and would never abuse my powers.

[EL TIEMPO] What is good about the Constitutent Assembly?

[Gaviria] The profound transformation it is making in the country's life, the new legitimacy it will give institutions, the cleansing of political habits, the strengthening of justice, and the way it is making the means of participation much more democratic.... All these aspects are crucial and important, and the people are becoming increasingly aware of the Constitutent Assembly's role.

[EL TIEMPO] What is bad about it?

[Gaviria] Of course, not everything will be correct; there will be institutions that will not stand the test of time and will not enjoy constant support. I cannot, however, make an assessment before there is a text, because it entails a process of decisions that I cannot anticipate. However, I think that the majority of the institutions approved have a permanent nature.

[EL TIEMPO] What prompted you to agree to dissolve the Congress and have new legislative elections?

[Gaviria] I wanted those decisions to be legitimate because they have profound implications from an electoral standpoint. There is a longstanding tradition in Colombia's life that makes a political agreement fundamental whenever a problem like this one arises. I was also convinced that my presence was necessary to promote a political agreement to avoid reaching these agreements by a simple majority. I wanted them to be the result of the broadest consensus possible. Unanimity was not achieved any way. In politics, one cannot attempt to reach unanimity because politics are uncertain.

[EL TIEMPO] Are you among those who think we are living in a new country?

[Gaviria] I think it would be presumptuous or even childish to think we are already living in a new country. We are inside a process that is barely beginning, which is related to the construction of more legitimate political institutions that are to be obeyed and respected by the world. From a historic standpoint, it becomes very difficult to see at what point in the process we are, but I am particularly inclined to think that we are just beginning.

[EL TIEMPO] Do you like to see yourself with such a high approval rating in the opinion polls?

[Gaviria] Popularity is to be spent. I have never strived to be popular. Among other things, my temperament is nonpopulist, and I am a friend of a president who takes chances and spends his political prestige.

I do not expect to have very high popularity ratings at each and every moment of my administration. I do hope to be right, to be sure we are taking actions that have a profound influence in Colombian life, that will have an impact on the future of this nation, and that will achieve deep transformations in Colombian life. Certainly many of these actions, as well as this particular situation, have been popular, but others may turn out to be less popular.

U.S. Opposition to Drug Policy Examined

PA0207043591 Bogota EL NUEVO SIGLO in Spanish 26 Jun 91 p 4

[Article by Oscar Montes]

[Text] Bob Martinez, director of the U.S. Drug Enforcement Administration [title as published], in his first public appearance since Pablo Escobar surrendered, asked the following of those who attended the 2d annual conference on state and local policy on drugs: "Is there anyone here who does not want to see Escobar with his feet chained, breaking stones in the quarry of justice?

The reply was unanimous: The whole auditorium wanted to see the head of the so-called Medellin Cartel heavily shackled, just like they had seen Carlos Lehder Rivas. Lehder is the drug trafficker who was extradited during the Barco administration, and who is currently serving a double life sentence in a U.S. jail.

But those who participated in the conference where Martinez spoke are not the only ones who want to see him in chains. A majority of U.S. citizens and the directors of the principal media in this country have the same dream.

This could explain the significant rejection, hostility, and distrust of the Colombian judicial system that emerged when the capo surrendered. Escobar took advantage of government decrees that guaranteed, in a certain manner, nonextradition and reduced sentences.

Curiously enough, there are similar guarantees for criminals in the Anglo-Saxon judicial system that is used in the United States, and in other countries like Italy, where there is a mafia as strong as the one in Colombia.

Martinez went further in his estimation of how the justice system should operate. For example, Martinez said: "I do not need to remind this audience that a 19-year-old U.S. citizen who is found guilty of selling five grams of crack on a Washington, D.C. street corner will receive from a federal court a minimum sentence of five years. What will the sentence be for someone who has sold tons of drugs that have damaged an entire U.S. generation?"

Although Martinez did not answer his own question, it is all too clear that for him, the media directors, and a majority of U.S. citizens, that Lehder's double life sentence is not enough punishment for Escobar. Besides, if Escobar was arrested in the United States he would be considered a "highly dangerous criminal."

Marion Barry's Symbolic Sentence

After the U.S. reaction, the question that remains is the following: "Why does the United States as a whole refuse to accept President Cesar Gaviria's policy with regard to the surrender of drug traffickers?

During a recent news conference, U.S. Ambassador to Colombia Thomas McNamara said that the answer cannot be attributed soley to the inefficiency that the Colombian justice system has demonstrated over the years regarding criminals, particularly drug traffickers.

According to the experts, the explanation is much more far-reaching.

Diego Cardona, from the International Studies Department at the University of Los Angeles, suggests that the United States does not understand that Colombia also has a division of power.

If that issue were clear, there would be no confusion, as there appears to be when government policy is directly linked to the constituent assembly's independent decision to approve nonextradition of Colombians, according to Cardona.

The U.S. press has linked both events directly: the approval of nonextradition and the surrender of Escobar. At the very least, that linkage is inaccurate.

The Colombia Government had already assumed, at its own discretion, the power to extradite the drug traffickers. Extradition would occur if the criminal did not surrender and was captured.

For the analysts, the confusion concerning the division of powers could be overcome by looking at a very special case followed very closely by the Colombian Government. This case concerns Washington, D.C. Mayor Marion Barry, who was arrested by authorities while using crack in a hotel room of the city.

When President Gaviria visited the United States for the first time after he took office, he said that the Barry case would be followed very closely by Colombia. After a controversial trial, the former mayor received a slap on the wrist and that discouraged the Colombian Government.

At that time the reason wielded by U.S. Government to justify or to try to explain the insignificant sentence was quite simple: "This is not a government decision, nor is it part of the government official policy. This is an independent court decision and the government has nothing to do with that decision."

In the same manner, the constituent assembly's decision is independent and the government has nothing to do with this decision. And, moreover, the decision of the constituent assembly did not necessarily mean that Escobar would surrender.

What Would Be Justice for Escobar?

Of course, the U.S. media's reaction is also explainable. The media is the spokesman for public opinion more so than the government's spokesman.

Although it is true that the Colombian Government's campaign—that drug traffickers who surrender would get a fair trial and that Colombia, like no other country, in its fight against drugs, had paid a very high price in deaths—has been generally well received in U.S. Government circles, the general public is not aware of this.

The prevailing opinion is that the Colombian Government surrendered to the drug traffickers, as opposed to the drug traffickers surrendering to the law. The influential WASHINGTON POST labeled one of its editorial: "Who Surrendered To Whom?"

For the United States, drug abuse has become a national problem that could even be affecting national security (a recent study revealed that in 1988 there were 11,000 drug related deaths).

Nevertheless, that nation's authorities and public opinion in general insist on looking for a solution beyond their borders even when the gravity of the problem suggests the opposite.

The U.S. Government is waiting with skepticism for Escobar's as well as other drug traffickers' trials and sentences. According to the U.S. authorities, justice must be straightforward and Escobar should receive the punishment he deserves.

Nevertheless, for this to happen, the Uniteds States must turn over all the evidence it claims to have against the drug trafficker. Unless, of course, the United States prefers to wait for Colombia to judge him, sentence him, and then it could try to apply its own justice.

Reactions to Escobar Surrender; U.S. Motives

PA0207015791 Bogota EL NUEVO SIGLO in Spanish 26 Jun 91 p 5

[Article by Juan Gabriel Uribe Vegalara: "Gaviria: Check; Bush: Castle"]

[Text] It was not surprising that Pablo Escobar Gaviria's surrender was acclaimed in Colombia. After all, it was the people who affirmed on several occasions that it was better to find a "Colombian" solution to this situation than to accept the dictum of a foreign will, which plunged us into a war abhorred by our fellow Colombians since the very day it was declared. It was the people who also opposed extradition as a means of administering justice.

Both President Cesar Gaviria, who enjoys popularity precisely because of the principle involved, and the Constituent Assembly, which abolished extradition in a crystal-clear expression of its autonomy, understood this.

On the contrary, the reaction to the surrender was unexpected in Latin America. A plebiscite in favor of the Colombian measure had not been anticipated, yet the demonstration of solidarity from Argentina to Mexico was overwhelming and has had an important political consequence. From now on, Latin Americans do not appear to be willing to be told which policies they should apply on specific matters, particularly regarding the thorny problem of drugs.

Although Argentine President Menem's family and top Venezuelan leaders are seriously being questioned regarding ties to drug trafficking, we understand that these countries will try to settle their disagreements as sovereign states. At the same time, Bolivia and Peru, like Colombia, will try to find some formula rather than accept an internal conflict, like the one that Colombia experienced, or the strangling that Panama suffered because of unscrupulous domestic management and a gigantic foreign imposition.

Although it is not at all that good for the country to lead in some form of Latin American policy regarding legal matters, it is indeed reasonable for Latin America to insist jointly that drug traffic will continue to exist as long as the United States and Europe continue to shamelessly supply drug producers with chemicals.

In the United States, the reaction to Escobar's surrender was relatively small and the criticism was ambiguous.

Although the antidrug chief and an obscure Democrat congressman for Ohio, named Traficant, were profusely highlighted by the media, the president of the Congressional Judicial Committee—more important than the previous two, but who was not given the privilege of appearing on the papers' front pages—said that the situation had to be examined from Colombia's viewpoint, and that, after three presidential candidates had been killed, to have put Escobar behind bars was an unprecedented success for the administration of justice in Latin America.

The problem in the United States boils down to one thing: domestic policy. The U.S. invasion of Panama proved that Noriega was essential in preserving Bush's popularity. Later, it was apparent that after the successful Persian Gulf war, the war on drugs was the best platform for presidential reelection. However, there is now a political difficulty. Without Escobar as a trophy, and extradition as a policy, the only alternative to achieve victory in the battle against drugs is to reduce domestic consumption. This was one way Gaviria checked Bush.

Because repression of the demand for drugs is economically and politically costly, not to mention difficult from the police standpoint, Bush, castling—this is to say, putting himself on the defensive, although this cannot be done while being checked—will try to question the entire judicial process in Colombia. This is why Bush has already given his bishop, Bob Martinez, the task of making empty threats. The papers will back him up in concealing the United States' lack of power from the eyes of the world. Martinez' mission is a patriotic, not a journalistic one. It is necessary to save face for the government.

Colombia should not be afraid. After all, Bush announced prior to operation "Desert Storm" that he would take Saddam to court to be tried, which he failed to do. Gaviria, however, silently succeeded in putting Escobar behind bars without using a single missile.

U.S. Reaction Decried

PA3006042391 Bogota EL NUEVO SIGLO in Spanish 25 Jun 91 p 2

[Unattributed commentary: "The Paper War"]

[Text] The much-publicized surrender of Pablo Escobar is deviating to unforeseen areas, one of which is the revival of stale nationalist sentiments. It would seem that the victory without combat in the Persian Gulf has unhinged the brains of U.S. citizens, as was the case of Don Quijote who went mad because he read so many books on chivalry.

The U.S. Embassy in Bogota, which is closer to the Colombian problem, could well send the State Department a dossier with as much information as possible. This information would be used, not only by top-level U.S. Government officials, but also to guide the press that, apparently, has lost control of its reports as it issues a great amount of incorrect information on the Colombian situation.

Before judging Colombian justice, as Bob Martinez has so loftily done, the U.S. citizens could well criticize themselves about what is taking place in their own country with the mayor of Washington, the Chicago police events, the Miami officials' case, and John DeLorean; all drug-related cases. By taking the sparkle out of their own eyes they could contribute to getting the dirt out of their brother's eye.

National Electoral Council Sets Election Dates

PA2806201591 Bogota EL NUEVO SIGLO in Spanish 24 Jun 91 p 6

[Text] The National Electoral Council established on 23 June the calendar for the upcoming 27 October elections to choose the new members of the Colombian Congress, which will be governed by the new political Constitution of Colombia.

The National Electoral Council determined that government officials will have until 27 July to submit their resignations to be eligible to run for office. The period for the registration of identification numbers will end on 17 August, and the deadline for registering the lists of candidates will be 22 August.

The political campaigning should end by 19 October, and the sale of alcoholic beverages will be suspended on 26 October. The elections are scheduled to begin at 0800 on 27 October.

In view of the fact that the governors will also be elected by the people, the number of ballots that will be printed, which had previously been estimated at 50 million, will be 70 million. This large volume of ballots will have an impact on the National Registry Office, considerably delaying the reporting of election results.

Constituent Assembly Debates Text Amendments

PA2806202091 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Jun 91

[Report by Sergio Ocampo Madrid]

[Text] Midnight is the deadline for the codifying commission to deliver the new constitution's corrected draft to the Constituent Assembly's plenary session. This draft has created an uproar at the assembly because several chapters that were approved during the first debate have been substantially altered.

The commission's original job was to correct grammar, evaluate style, and organize of all the laws into articles according to subjects and goals. At yesterday's plenary sessions, while the codifying commission continued its work at the Hierbabuena Farm, a document was delivered to the assembly on how the work is advancing with

details on changes to nearly 300 articles. This document caused a general commotion because many changes had been made.

Beginning with the preamble, a phrase referring to Latin American integration was omitted; another article about international relations excluded ecology because it was argued that the topic belongs in other chapters. Further on, in another article, the word protects had been added. This word was not part of the passage recognizing that Colombia has great ethnic and cultural diversity.

Even though there seem to be plenty of changes, most are variations in terms and expressions. This is the problem. Discussions at the assembly over one word or one term often start arguments—some very emotional—that last hours. It is not clear whether the codifying commission has changed the sense or the concept of some of these laws. In any case, the members have said that their task is to make recommendations that the plenary session may either accept or reject.

[Begin Assemblyman Luis Guillermo Nieto recording] The commission is empowered to propose changes to the approved texts. That is what it is doing—it takes the original text and makes proposals and explains why the changes are made. [end recording]

The big problem seems to be the confusion within the Constituent Assembly as to what the codifying commission's job and limitations are.

Constituent Assembly Approves Nonextradition

PA3006030091 Bogota Inravision Television Cadena 2 in Spanish 0116 GMT 30 Jun 91

[Excerpt] The discussions at the National Constituent Assembly [ANC] continue here tonight. ANC delegates continue to vote on all the articles of the new constitution. This has been a very long day. Today, the delegates voted on such issues as family rights, children's rights, and the communication media.

In addition, the ANC delegates voted on the issue of nonextradition, which was pending discussion from last night. Article 34 concerning nonextradition was approved today in the second debate with 45 votes in favor. After some initial difficulties, the ANC delegates began voting at 0800, as was scheduled. The ANC delegates have worked and continue to work uninterrupted at this hour. [passage omitted]

Investigators Report 18 Extraditables Surrendered

PA2806200591 Bogota EL NUEVO SIGLO in Spanish 24 Jun 91 p 8

[Text] The National Directorate of Preliminary Investigations has disclosed that so far 18 citizens have accepted the state of siege decrees, which, in addition to reducing sentences, provide for the nonextradition of drug traffrickers who surrender and confess their crimes.

The directorate has assured that the measures will be enforced for an indefinite time because it has yielded excellent results to date; leading national and international drug traffickers have surrendered.

Drug traffickers whose extradition has been requested by the United States have accepted Decrees 2047, 3030, 303, and 1303, which grant them significant sentence reductions and preclude their being turned over to U.S. authorities.

It has been officially announced that the first drug trafficker who surrendered to the Colombian authorities was Gonzaga de Jesus Rincon Perez, who on 18 October 1990 went before a judge in Pereira to confess that he was a drug trafficker.

Later, on 22 November 1990, Eduardo Tribin Cardenas surrendered in Usaquen, north of Bogota. He has been accused of participating in the attack on the Administrative Department of Security (DAS), in which 74 people were killed and over 1,000 were wounded.

Gonzalo Mejia Sanin, another Colombian sought by the U.S. authorities, surrendered to a judge in Manizales on 26 November 1990.

The National Directorate of Preliminary Investigations also announced that Gustavo Garzon—identified as Carlos Humberto Gomez Zapata, aka "El Papi," a well-known extraditable and fugitive of Colombian law—surrendered on 10 December 1990.

On 18 December the authorities were surprised by the surrender of Fabio Ochoa Vasquez, a top leader of the Medellin Cartel.

Within the framework of the pacification process, Jose Daniel Vanegas Perez surrendered on 19 December 1990; he had led a paramilitary group that operated in Cordoba Department and served drug trafficker Fidel Castano.

On 15 January 1991 Jorge Luis Ochoa Vasquez surrendered to Martha Luz Hurtado, director of preliminary investigations in Antioquia. His surrender took place in the hall of Las Mercedes Church in Caldas Municipality, south of Valle de Uraba.

On 16 February, Juan David Ochoa Vasquez surrendered to the authorities in the port city of Turbo, Antioquia.

On 4 May, Gonzalo Mejia Sanin once again surrendered to the authorities. On 9 May Raul Maya Toro surrendered but was released later because there was no evidence to prove the charges against him. On 1 June he was murdered on a street in Medellin.

On 10 May Nicolas de Jesus Quintero Pareja surrendered in Envigado, and 10 days later Fernando Lopez Renteria did the same in Cali.

On 19 June Medellin Cartel leader Pablo Escobar Gaviria surrendered to the Colombian authorities.

Otoniel Franco, aka "Otto;" John Jairo Velasquez, aka "Popeye;" and Carlos Aguilar Gallego, aka "El Mugre," surrendered with Escobar Gaviria.

One day later, Jose Valentin de Jesus Taborda, accused of being the Medellin Cartel's finance chief, also surrendered.

On 21 June Pablo Escobar's brother Roberto Escobar Gaviria and Gustavo Florez also surrendered.

Pablo Escobar's Bodyguard Surrenders 28 Jun

PA2906000991 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 28 Jun 91

[Report by Lais Vargas]

[Text] Johnny Edison Rivera, alias El Palomo, surrendered to authorities in Envigado this morning. He is the ninth extraditable to turn himself in [as heard]. The extraditable arrived at the jail with Jose Mario Rodriguez, mayor of Envigado; Jorge Pataquiva, director of the special prison; and Marta Luz Hurtado, the regional director of criminal investigation.

The name of each new inmate at La Catedral Jail in Envigado is less known every time someone turns himself in. Today it was Johnny Edison Rivera, called El Palomo by his friends. Very little is known about him, except that he is 21 years old and was part of the group in charge of Pablo Escobar's security. It can be deduced then that he is also one of Escobar's trusted men. What his crimes are and what debt he has with the authorities are two questions to be answered. The truth is that not even Marta Luz Hurtado, the regional director of criminal investigations, who has been in charge of the process, seems to know much about Pablo Escobar's new companion.

[Begin Hurtado recording] Frankly, I do not know where he was in the hierarchical level. I know his name and that he is the person I am escorting. [end recording]

It is not known if these voluntary surrenders will continue for a long time. What is known, however, is that, counting Johnny Edison Rivera, nine of the Medellin Cartel's men are in prison.

FARC Rebels, Hostage Killed in Rescue Attempt

PA0107035991 Madrid EFE in Spanish 2122 GMT 30 Jun 91

[Text] Bogota, 30 Jun (EFE)—Authorities reported here today that five kidnappers and their hostage, ranch owner Humberto Uribe, were killed on Saturday during a foiled rescue attempt in the rural zone of Santa Rosa de Osos, in the northern part of Antioquia Department.

Uribe, 60, had been held hostage for over one and a half months by an alleged armed wing of the 36th front of the Revolutionary Armed Forces of Colombia (FARC), which demanded 150 million pesos (some $25,000) for his release.

The authorities learned the identity of one of the alleged guerrillas, Ruben Dario Franco, as well as the aliases of the others: "Mario," "Jacinto," "Diego," and "La Negra Denis."

It was also learned that a councilman and a liberal leader were released by the Simon Bolivar National Guerrilla Coordinating Board (CNGSB), composed of the FARC and the Army of National Liberation (ELN), while a merchant was kidnapped.

Vicente Borrego, councilman and cattleman who had been kidnapped last 22 June, was released in Magdalena Department in northern Colombia, although it is not know if any ransom was paid.

In Santander de Qulichao (southern Cauca), liberal leader Mariela Pulgarin was released, while 70-year-old merchant Pablo Elias Gomez was kidnapped by ELN guerrillas in San Vicente de Chucuri (Santander, northwestern Colombia).

Cali Mayor Unhurt in Suspected Rebel Ambush

PA0107125291 Bogota Radio Cadena Nacional in Spanish 1213 GMT 1 Jul 91

[Text] Cali—German Villegas Villegas, Social Conservative mayor of Cali, was not hurt when a group of approximately 30 armed men attacked him as he was going to a house he owns west of this departmental capital. The action occurred shortly after 2100 when the Cali mayor was traveling with his brother, Diego, to one of his rural properties in Canta Claro, on the road to La Sirena.

It was reported that suspected FARC [Revolutionary Armed Forces of Colombia] guerrillas armed with long-range weapons intercepted Mayor Villegas' vehicle; however, quick reaction from Villegas' driver, Carlos Burgos Bustamante, prevented the guerrillas' objective. The vehicle was riddled with bullets. The mayor's brother, Diego Villegas Villegas, former manager of the Bogota electric power company, was wounded. The mayor's bodyguards were detained by the guerrillas and minutes later their bullet-riddled bodies were found. Grenades had also been hurled at them The victims were identified as Ubaldo Gallo Munoz and Salvador Diaz Dimas, 31 years old. Policeman Milton Albeiro Gomez was also wounded.

CNGSB Claims Responsibility

PA0207040791 Bogota Inravision Television Cadena 1 in Spanish 0115 GMT 2 Jul 91

[Report by Sammy Jalil in Cali—recorded]

[Excerpts] The National Liberation Army's Camilista Union of the Simon Bolivar National Guerrilla Coordinating Board's [CNGSB] southwestern front has claimed responsibility for the attempt on the life of Cali mayor German Villegas, saying that they planned to kidnap rather than kill the mayor. The CNGSB regretted that the mayor's brother, Diego Villegas, was injured, and added that they are asking the mayor to conduct an investigation into certain irregularities in the Cali municipality. The mayor says the guerrillas did not intend to kill him. Nevertheless, we have a report confirming that the mayor was shot at for several minutes from a distance of over 400 meters.

Mayor Villegas attributes his escape to God's providence and the quick thinking of his driver, Jairo Murillo. The attack occurred near Cantaclaro, on the highway leading from Cali to Vi[illegible]a Carmelo. In the incident, Waldo Gallo Munoz and Sa[illegible]vador Diaz, two of the mayor's four personal bodyg[illegible]rds, were killed by fragmentation grenades. [passage omitted]

Colombian people and leaders agree that this attempt on the life of Cali's mayor affects the peace process scheduled to be resumed with the CNGSB on 15 July.

We have a breaking report that guerrillas from the Revolutionary Armed Forces of Colombia have taken over Mondomo, Cauca Department. One policeman and one guerrilla were killed.

CNGSB Frees 15 Policemen; Still Holds Two

PA2906180391 Bogota Radio Cadena Nacional in Spanish 1200 GMT 29 Jun 91

[Text] Bogota—S[illegible]mon Bolivar National Guerrilla Coordinating Board [CNGSB] guerrillas have freed 15 policemen in rural Achi, in southern Bolivar Department. The policemen were kidnapped last month during an attack against the police garrison in Morales, also in southern Bolivar Department. Two policemen were killed during that takeover.

This station has been advised by Bogota authorities that the policemen were freed in Regencia Corregimiento and turned over to personnel from the Attorney General's Office and Achi officials. The CNGSB continues to hold a police officer and a regular policeman, who were kidnapped along with the other 15.

Ecuador

* Minister 'Rejects' Privatization Trend

91SM0353B Quito HOY in Spanish 31 May 91 p 1A

[Text] "This is not a government which promotes or follows the privatization fashion," Minister of Finance and Credit Pablo Better said yesterday. He categorically dismissed the idea that this system characterizes the government's line of action.

In statements made to HOY, this secretary of state said that "we do not believe in privatization as a general norm, although this is a possible channel in certain cases, because of their own specific merits. However, this would be on the premise that one cannot transfer the monopoly of the state to the private sector."

He said that ordering the transfer of the garbage-collection service in Guayaquil to the private sector, for example, would be very easy. But the minister asked a question. Who is taking charge of this problem?

After emphasizing that Ecuador cannot adopt this method, Better pointed out that transfers to the private sector have not been successful in many parts of the world. He noted instances of countries which have reversed the situation, and returned to state control.

"We are not a privatizing government, we do not work along that line," Better confirmed. However, he did not dismiss the possibility that "in very special cases, a decision of this sort might be made."

According to the minister, the sale of stocks in the National Financial Corporation to some private enterprises does not represent a transfer to the private sector, because these are companies which are in private hands. Privatization would mean the transfer to the private sector of entities or services which are in the hands of the state at present, such as the Petroecuador [Ecuadorian State Petroleum Enterprise] or Ecuadorian Aviation, he emphasized.

* Official Foreign Investment Figures Released

91SM0353G Quito EL COMERCIO in Spanish 16 May 91 p A-9

[Text] The country's foreign investments increased by 64.4 percent during the first quarter of this year.

Accoridng to the Ministry of Industry, that body authorized direct foreign investments in the amount of 6.28 billion sucres in the period covering January through March of 1991. This amount exceeded that for the same period last year, which came to 3.775 billion sucres.

The increase of 2.505 billion sucres in foreign investments represents growth of 64.4 percent, which even greater than that reported for the comparable periods in earlier years.

The Ministry of Industry described the increase as [illegible]ncouraging, because it reflects the favorable atmosphere generated by the announcement of a new regime for dealing with foreign capital.

It has been announced that once the regulations governing the implementation of Decision 291, recently approved by the Cartagena Accord Council, become effective, the possibilities for attracting new foreign resources will be expanded.

At the present time, these regulations are being studied by the Presidency of the Republic.

The new system for dealing with foreign capital provides for a fully flexible legal framework open to foreign investment in practically all national economic sectors.

The Ministry of Industry has stressed its view that this new incentive for foreign investment will be the key factor for the investor.

* Government Official on 'Indigenous Extremism'

91SM0353A Guayaquil EL UNIVERSO in Spanish 3 Jun 91 p 9

[Text] Quito—The conditions in the country at the present time do not augur a native rebellion such as was advocated by the Conaie [Confederation of Indian Nationalities in Ecuador] last year, because the leadership of that native organization has been losing contact with the base level, according to Secretary for Public Administration Gonzalo Ortiz.

Threat Exaggerated

This government official believes that the possible danger of a new Indian uprising is being exaggerated, because, he explained, the Conaie currently has "much less strength than it did a year ago."

He said he could not count the number of Indian organizations which have informed the government the fact that they are not now a part of the Conaie. Moreover, he added that the public is fully familiar with the fact that the Shuara Federation is no longer a part of that organization. The same assurance has been given by other Indian organizations—that they are no longer affiliated with the Conaie. He explained, however, that it is not a question of a confrontation of forces. It is simply that the conditions existing in the country now do not favor an Indian uprising.

Union Strategy Adopted

He reiterated that the Conaie is to some extent adopting the strategy of some of the central trade unions. What we know about them, Ortiz said, is that the leadership is one thing, while the base levels follow another path, which is completely different. He noted that this is because Indian extremism is not favored by those on the base level. He pointed out that many people on the base level in the Indian communities know that dialogue and consensus constitute a more expeditious path than that of confrontation and conflict.

* PSE Secretary General on Campaign Strategy

91SM0353C Guayaquil EL UNIVERSO in Spanish 2 Jun 91 p 3

[Text] "Leon Roldos Aguilera is one possibility among the precandidates of the Socialist Party of Ecuador (PSE) for the 1992 elections, as are Jose Moncada and Deputies Raul Patino, Enrique Ayala, Victor Granda, and Manuel Salgado, about whom the political parties on the left can debate in order to reach a consensus." Deputy Diego Delgado Jara, the secretary general of the PSE made this statement at the press conference at which he announced that this political party may be able to reach an agreement within two or three months.

He said that the PSE would prefer to act "as the locomotive engineer, rather than a coach passenger" in the event that an electoral alliance is formed, because "this is the only alternative, in view of the defects of the new right wing, the old right wing, and the populists."

He was emphatic in stating that joining forces and seeking support in no way means ideological compromise, because civilized organization is what will make it possible to overcome the revailing situation of injustice in the country.

Deputy Delgado confirmed that the PSE will continue its frontal opposition to the government, which is planning to reject the draft labor legislation reforms because it wants to weaken the organization of the trade unions and rob them of the gains achieved.

"What this does not mean is that the proposal is designed to facilitate the policy of attracting foreign investment," he added.

* Duran-Ballen Queried on Presidential Goals

91SM0353D Guayaquil EL UNIVERSO in Spanish 16 May 91 p 3

[Text] "It will take many generations and many terms of office for the government to change Ecuador. Every president must at least try to establish the foundations for improvement of the situation of the country in some way. I believe that neither I nor any president can do very much to transform the country in 4 years, above all under the present circumstances." These statements were made by Sixto Duran-Ballen when he was asked about what he would do if elected president of the Republic.

He also said that a number of factors must be taken into consideration, since if he does run as a candidate, it will be for the presidency. "I have served at government headquarters in close proximity to at least two presidents, and I have seen how they have suffered because of the limited potential of the country, the lack of understanding, and all the problems. It is a tremendous responsibility to be the occupant of the Carondelet Palace, and all of these aspects must be considered before agreeing to any candidacy," Duran-Ballen said during the interview on the program "Front Page."

He said that he has no trouble getting along with any Ecuadoran politician, and that he is a practicing Catholic whose favorite prayer is the "Our Father."

During a tour of the downtown section of the capital city, he pointed out various projects completed while he was mayor of Quito, and he said that this was the period in his professional life which brought him the most satisfaction. Duran-Ballen, who will soon be 70, has also served as minister of public works and as a deputy.

Duran-Ballen is a direct descendant of the founder of Quito, Sebastian de Benalcazar, although Indian blood also runs through his veins, according to a genealogy he exhibited.

* Asks Public To Join New Party

91SM0353E Quito HOY in Spanish 15 May 91 p 5A

[Text] The letter with which Sixto Duran-Ballen plans to promote the establishment of the Republican Unity Party in a door-to-door campaign says:

"When I left the Social Christian Party, I planned to retire to private life. However, my fellow citizens, in large numbers, urged me to continue to carry out my duty to the fatherland.

"The new party seeks to return to the independents the full exercise of their civic rights—the rights to elect and to be elected. It seeks to achieve a bicameral congress, in order to improve the legislative process, and to rescue it from the partisan battles which have characterized it throughout the last decade. It sets forth the need to modernize our economic and administrative apparatus, and to incorporate Ecuador in the modern world movements which are seeking to develop a flexible and efficient state. It asserts that the goal of economic development is to achieve the well-being of individuals, above all those who have the least, and who unfortunately, represent the majority among the Ecuadoran people. Finally, and most important, the party will fight for the reestablishment of moral and civic values.

"I beg you, my fellow citizen and friend—you and your family—to help us create this party, the Republican Unity Party, if you share our ideals, and to join together to this end...."

* Guayaquil Mayor Will Get Committee Guidance

91SM0353F Guayaquil EL UNIVERSO in Spanish 27 May 91 p 3

[Text] The highest leader of the CFP [Concentration of Popular Forces], Averroes Bucaram Zaccida, has announced the appointment by the party of a committee made up of four members. The committee has been entrusted with the task of aiding and supervising the activities of the new mayor of Guayaquil, Harry Soria Laman, whose duty it is to impose honesty on the municipality and to defend the interests of the district.

The members of the committee are Pedro Aldaz, Nelson Franco, Dr. Lorenzo Calvas, and Dr. Leonidas Plaza. It was also announced that the new municipal official has been freed from party discipline so that he will not feel pressured. However, it was reiterated that his duty is to serve the city.

Paraguay

Minister Outlines Second Proposal on Tax Reform

PY3006025091 Asuncion ABC COLOR in Spanish 29 Jun 91 p 9

[Excerpt] During the course of a monthly Paraguayan-American Chamber of Commerce luncheon, Finance Minister Juan Jose Diaz Perez explained that the second proposal for tax reform, which will be submitted to the Presidency next week, will be based on eight taxes contained in five chapters. The last chapter refers to rules and regulations pertaining to implementation of the tax code.

The minister's proposal, which is aimed at replacing the approximately 80 taxes contained in the current code, is as follows:

Taxes on capital: 1. Real estate tax. 2. Tax on the assets of enterprises.

Tax on income: 3. Tax on the income of enterprises. 4. Single tax.

Tax on consumption: 5. Value added tax (VAT). 6. Selective consumption tax. 7. Tax on the sale of cattle.

Other taxes: 8. Tax on transactions and documentation.

The last chapter contains the "general rules and regulations" that will introduce a tax code, in other words penalties and fines for tax violators. [passage omitted]

Congress Ratifies Treaty Creating Mercosur

PY2906150091 Asuncion ABC COLOR in Spanish 28 Jun 91 p 4

[Excerpt] On 27 June the National Congress ratified the Asuncion Treaty (Mercosur), establishing a common market among Brazil, Argentina, Uruguay, and Paraguay. With this approval the Paraguayan Congress has become the first legislative branch of a member country to approve the treaty. A regrettable fact is the small number of legislators who attended the session to discuss such an important document. [passage omitted]

First Elected Mayor of Asuncion Installed 26 Jun

PY2906145691 Asuncion NOTICIAS in Spanish 27 Jun p 2, 3

[Excerpt] Independent candidate Carlos Filizzola was installed as mayor of Asuncion on 26 June during a historic ceremony in which national and foreign dignitaries and hundreds of citizens participated. He promised a crystal clear government with open doors, and he promised to mount frontal attack on corruption. [passage omitted]

Chamber of Commerce Created With Hungary

PY2906151091 Asuncion HOY in Spanish 24 Jun 91 p 12

[Text] The Paraguayan-Hungarian Chamber of Commerce was created recently in our country with the purpose of strengthening diplomatic relations with that central European country. During the same ceremony a trade agreement was signed to make the relationship more effective.

According to the information, the Hungarians are interested in creating enterprises of the joint venture [two preceding words in English] type with their Paraguayan colleagues, especially in the energy engineering sector in which our country is very advanced.

The sources indicated that interesting industrial consortia can be achieved with Hungary.

Niklos Banyas [name as published], trade attache with the Hungarian Embassy in Buenos Aires, was in his country, which has not specified when they will begin to explore areas in which trade relations can begin immediately. He indicated that the governments have opened channels through the trade agreement and that it is now up to the private sector to make deals.

The sources indicated that Hungarian and Paraguayan enterprises can install industries for the assembly of light and heavy machinery, taking into account that Hungary has technology that can be transferred to our country for the creation of large binational industries. From the trade viewpoint, Hungary can offer a large range of products at competitive prices, especially in the transport sector and in the equipping of hospitals. The equipping of river ports is a well-developed industry in Hungary, and this sector can be very interesting for Paraguay.

Hungarian industrialists are also willing to provide the city of Asuncion with trolleys for the urban transport sector, taking into account that Mayor-elect Carlos Filizzola had proposed the use of these vehicles in his election campaign.

Books, Periodicals Exonerated From Import Duties

PY2906162691 Asuncion ABC COLOR in Spanish 29 Jun 91 p 12

[Excerpt] Books, newspapers, and magazines will no longer have to pay any type of import duty or internal levy in accordance with Law No. 6/91 signed on 28 June by the executive branch. Law No. 6/91 also nullifies all legal resolutions to the contrary. [passage omitted]

Peru

Fishing Agreement With USSR To Be Denounced

PY2906141691 Madrid EFE in Spanish 0424 GMT 28 Jun 91

[Text] Lima, 27 Jun (EFE)—On 27 June the Peruvian Government informed the Soviet Union of its intention to denounce the fishing agreement that the two countries signed in December 1988.

A communique released on 27 June by the Foreign Ministry notes that this decision has been made taking into account "national interests and the legal implications" that are related to its implementation.

The communique also notes that the denouncement will be made in accordance with one of the articles of the agreement, and that the Peruvian Government informs the Soviet Government of "its assurance that the close and cordial relations that exist between the two countries will be the basis for seeking new forms and modes of cooperation."

Last month the Fisheries Ministry announced that the fishing agreement had been abrogated because it was considered that the Soviets had not complied with the terms when they did not hand over the established volume of the catches from the fishing carried out in Peruvian waters.

Subsequently, the naval authorities withdrew permission for the Soviet vessels to fish the waters of this Andean country.

'New Sol' Currency Goes Into Effect 1 Jul

PA0107154691 Lima Panamericana Television Network in Spanish 1200 GMT 1 Jul 91

[Text] Remember: The new sol is in effect as of today; however, the new coins and bills will not circulate until September or October. One new sol is equivalent to 1 million intis.

Economy Minister on Taxes, International Credits

PY2806182891 Lima Radio Nacional del Peru Pachacutec Network in Spanish 1200 GMT 28 Jun 91

[Text] Economy Minister Carlos Bolona has announced that the executive branch will seek the best way of adjusting public expenditures without resorting to the inflationary issuing of money.

Bolona pointed out that the Congressional Special Economy Commission has oversimplified the situation, using populist actions, because it has prevented the most appropriate solution to the problem affecting state income levels.

[Begin recording] [Bolona] It is easier and more popular to spend than to collect taxes. When collecting taxes, it is

easy to think that the tax administration will resolve everything. So, the commission did not decide to confront this problem.

The executive branch must seek the best way of ....

[Reporters, interrupting] [words indistinct]

[Bolona] We have to seek ....

[Reporters, interrupting] [words indistinct]

[Bolona] That is a negative attitude. [passage indistinct]

[Reporter] [question indistinct]

[Bolona] We must implement a cash budget policy, basing on the recovery of the budget a policy totally based on a cash system. We will only spend the income that we actually have on hand. We must seek income through various sources. We are viewing various ways of doing this.

[Reporter] [question indistinct]

[Bolona] I believe that the sale of shares of public enterprises, which is a policy that has already been made, could be a considerable element that also [words indistinct]

[Reporter] [words indistinct] is making an effort to (?balance) revenues, but there is opposition from Congress which contributes and makes [words indistinct] to improve the revenues through [words indistinct] temporarily reduce monthly payments on [words indistinct]. Do you think that they understand the situation and the effort being made by the government?

[Bolona] I would say this: We are negotiating with the multilateral credit organizations. I believe that the idea of not paying the multilateral credit organizations has already been applied. It has been applied for five years and what has been achieved? Absolutely nothing.

Let me explain this to you: Absolutely nothing was achieved. We simply fell into complete (?isolationism). [Words indistinct] not even from the Latin American countries that must resort to the (?open economy) collection formulas which led us to catastrophic, disastrous situations as far as credits are concerned.

(?In our negotiations) with the multilateral credit organizations, we are aware, and they are also aware, of the efforts that are being made. We are close to reaching an (?agreement) with the IMF and even with the Inter-American Development Bank which could disburse funds as of the last quarter—significant and important funds. Some funds could even be advanced through some [word indistinct] credits in order to begin to [words indistinct]. Therefore, we are working under this [words indistinct].

They are (?aware) of this and so our negotiations include a formula which enables us to achieve some type of alleviation.

Therefore, to unilaterally discontinue or make this type of adjustment is the most inappropriate step because we have had the experience of no longer ....

[Reporters, interrupting] [question indistinct]

[Bolona] [passage indistinct]. I am aware of the social problems. We are talking with various sectors, seeking solutions within multiple tax limitations and [word indistinct].

A key point, however, is that we will not resort to the issuance of money because this would deceive the population, that is, give them bills that today are worth one value and tomorrow will be worth less. And we do not want to fall into this because it represents the worst delusion for a nation. Inflationary payments and inflationary tax collections represent the worst thing that happen to a country that has actually emerged from that experience [words indistinct] one cannot compare (?payments) with public expenditure. I will not (?remain silent). [end recording]

Police, Army 'Harassing' Shining Path in Amazon

PY0107173291 Madrid EFE in Spanish 1803 GMT 29 Jun 91

[Text] Lima, 29 Jun (EFE)—Army personnel and Shining Path guerrillas have been clashing in the Peruvian Amazon jungle since mid-week. The local press has reported unofficial figures, stating that 40 to 80 rebels have died. The only concrete report is that three military men have died in the clashes, which are taking place near Aucayacu, in the northern jungle department of Huanuco. The local press said it is almost impossible to determine the number of terrorist casualties because terrorists take their dead with them.

On 26 June, a Shining Path column attacked the Aucayacu military garrison and destroyed National Tobacco Enterprise facilities, the city hall, and offices of an agricultural development program before being expelled by security forces. The LA REPUBLICA newspaper reported today that 500 policemen and soldiers, with gunship support, are harassing over 300 Shining Path members, who are retreating to an area between Tingo Maria and Progreso.

It is estimated that 350 rebels participated in the attack on Aucayacu. The terrorists were armed with rifles capable of launching grenades, FAL rifles, shotguns, revolvers, and pineapple-type hand grenades.

Analysts believe that the Shining Path, whose objective of installing a "Republic of New Democracy" in Peru has shifted to installing a "People's Republic of Peru," thus moving closer to its Maoist position—is now in "a suicide phase" during which it could even resort to "kamikaze" tactics. The last issue of the weekly CARETAS quotes analysts as saying that—driven by setbacks that have recently affected the ranks of Professor Abimael Guzman, who is the Shining Path's

ideologist and leader—the group has adopted the tactic that it is "willing to sacrifice all of its members in exchange for a Pyrrhic victory through intimidation and propaganda."

The Shining Path took advantage of the fifth "anniversary" of the killing of Shining Path members in three Lima prisons (18 and 19 June 1986) to unleash an offensive of murders and attacks whose results have not been up to what could have been expected.

Military men have assured that documents found in a raid on a cocaine laboratory in the Amazon jungle have proven that there are links between the Shining Path and Colombian drug traffickers.

Terrorists Kill; Burn Vehicles in Paucartambo

PY0107150891 Madrid EFE in Spanish 1738 GMT 30 Jun 91

[Text] Lima, 30 Jun (EFE)—Police sources reported on 30 June that members of the terrorist "Shining Path" group murdered six people in the jungle of Junin Department in the Peruvian central sierra.

The incident happened on 28 June in a village near Paucartambo bridge, 25 km from La Merced, which is located some 350 km northeast of Lima.

An armed column of the Maoist group arrived at the village in the evening of 28 June. They took six people out of their houses and shot them dead in the vicinity of the village on charges of collaborating with security forces.

Before leaving the village, the terrorists burned two vehicles loaded with merchandise.

On 30 June the police reported that alleged Shining Path members on 29 June attempted to blow up a relay antenna of the National Telecommunications Enterprise in Chosica, 40 km east of Lima.

Personnel of the security forces discovered and deactivated the explosives that terrorists had placed in several parts of the antenna structure.

A police technician said that the destruction of the antenna would have caused serious difficulties to communications in the country.

The source reported that the police arrested 14 alleged terrorists in two Lima districts during oeprations carried out over the past few days. This action foiled a plan of attacks and murders in the Peruvian capital.

The police reported that arms, explosives, and plenty of propaganda material were seized during combined operations by the police and the Army in San Juan de Miraflores and La Victoria.

A special congressional committee has reported that political violence in Peru has claimed 22,500 lives in 11 years, since the "Shining Path" began its activities in May 1980.

Television Stations Restrict Terrorist Reporting

PA0107182191 Lima Frecuencia 2 Satelite Television in Spanish 1400 GMT 30 Jun 91

[Communique issued by the Peruvian Radio and Television Association in Lima on 30 June]

[Text] Representatives of all Lima television stations met on 12 June. Being aware of the situation that prevails in the country as a result of the struggle against subversion and the fact that unlimited competition might lead some programs to become the sounding board for terrorism, and determined that this extreme should not occur on Peruvian Television, we have agreed to restrict reports on terrorism to a maximum of one minute.

This restriction applies only to reports on assaults, crimes, kidnappings, and other criminal acts of terrorist bands and does not include other topics. It definitely does not include those actions that reflect the achievements of the fatherland in the struggle against subversion or reports on the defense of human rights. This agreement, which is adopted on the initiative of the television stations themselves, is another example of the capacity of national television to assume its great responsibilies.

The association wants to thank the prominent institutions from which it received warm support when this agreement was made public. The radio and television association urges all media to act on their own initiative, fully aware of their full responsibility amid the times during which we are living. and while not failing to report to the people on terrorist actions, doing it with moderation and not allowing themselves to be used by the rebels by magnifying the criminal actions of those who do not respect Peruvian liberties, democracy, or right to life.

The Association of Radio and Television is united more than ever before in defending its commitment.

Liberty with Responsibility.

Minister Departs for Spain Seeking Police Aid

PY0107141891 Madrid EFE in Spanish 2216 GMT 30 Jun 91

[Text] Lima, 30 Jun (EFE)—General Victor Malca, the Peruvian interior minister, left for Spain 30 June on an official visit to negotiate the signing of cooperation agreements between the Spanish and the Peruvian police.

Malca, who talked to reporters at Lima airport, said that the object of his visit to Madrid is "the possible signing of an agreement" providing for Spanish logistic help for the Peruvian police.

The Peruvian interior minister was seen off by Spanish Ambassador to Peru Nabor Garcia Garcia.

Government To Privatize 'Important' Mining Firm

PY2806193091 Buenos Aires TELAM in Spanish 1140 GMT 28 Jun 91

[Text] Lima, 28 Jun (TELAM-ASIN) — The official gazette carries the news that the Peruvian Government will privatize the important silver-producing Buenaventura Mines Company together with 10 other enterprises in which the state is a shareholder.

A percentage of the resources from the transfers, which will take place during the middle of July, will be used to help the Centromin [Central Peru Mining Enterprise]. Centromin oversees Peru's mining activities. It will auction 360,000 shares, 9.22 percent of Buenaventura's capital, on the local stock exchange.

[Dated] Lima, 30 June 1991.

Venezuela

'Venezuela Cartel' Claims Bomb Which Kills 23

PA3006013291 Madrid EFE in Spanish 2357 GMT 29 Jun 91

[Text] Ciudad Ojeda, Venezuela, 29 Jun (EFE)—An unknown group of drug traffickers today claimed responsibility for the 28 June explosion of a bomb at a dry cleaning shop in this city located in northwestern Venezuela, across from the Lake of Maracaibo. It was reported that 23 people were killed as a result of the explosion.

The so-called "Venezuela Cartel" sent leaflets to newspapers and radio stations in the area stating that the explosion at the dry cleaners was in response for the acts of repression against drug trafficking being carried out by the Zulia State authorities.

The group stated that it used 200 kg of dynamite to build the bomb that destroyed the "Oro Negro Dry Cleaners" and seven other stores at a shopping center in Ciudad Ojeda.

Police authorities, however, denied the report issued by the alleged cartel and said that the explosion was the result of an accumulation of gases in a boiler at the dry cleaners, and that the shock wave destroyed the nearby shops.

The official versions stated that 19 people died as a result of the explosion, but other reports state that 23 people were killed. The number of victims could increase in light of the fact that many seriously injured people were admitted to nearby hospitals.

Policemen, firemen, and members of the civil defense groups continue to clear the rubble in search of people who have been reported missing.

Zulia State Governor Oswaldo Alvarez Paz has ordered the Army to cordon off the area to prevent looting and facilitate the rescue operations.

The explosion occurred at noon on 28 June. Many people go to the Simon Bolivar Shopping Center at that hour of the day.

According to preliminary reports, many street vendors were near the dry cleaners at the time of the explosion. Many of them were affected by the shock wave and were seriously burned.